



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

Husky Energy Inc.

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1. Supplemental Financial Information

The following table shows Husky's net earnings by industry sector and includes corporate expenses.

	Three months ended							
	Mar. 31 2014	Dec. 31 2013	Sept. 30 2013	June 30 2013	Mar. 31 2013	Dec. 31 2012	Sept. 30 2012	June 30 2012
<i>(\$ millions, except where indicated)</i>								
Gross revenues ⁽¹⁾	5,943	6,132	6,036	6,206	5,807	5,889	5,410	5,715
Net earnings by sector								
Upstream ⁽¹⁾	422	185	460	344	255	309	211	291
Downstream ⁽¹⁾	259	94	89	295	352	194	366	183
Corporate	(19)	(102)	(37)	(34)	(72)	(29)	(51)	(43)
Net earnings	662	177	512	605	535	474	526	431
Net earnings								
Per share – Basic (\$/share)	0.67	0.18	0.52	0.61	0.54	0.48	0.53	0.44
Per share – Diluted (\$/share)	0.66	0.18	0.52	0.59	0.54	0.48	0.53	0.43
Cash flow from operations ⁽²⁾	1,536	1,143	1,347	1,449	1,283	1,414	1,271	1,153
Per share – Basic (\$/share)	1.56	1.16	1.37	1.47	1.31	1.44	1.29	1.18
Per share – Diluted (\$/share)	1.56	1.16	1.37	1.47	1.30	1.44	1.29	1.17
Total assets ⁽³⁾	38,677	36,904	36,600	35,994	35,519	35,161	33,466	32,842
Cash and cash equivalents	1,518	1,097	1,607	1,770	1,895	2,025	2,265	2,074
Total long-term debt including current portion	5,068	4,119	4,011	4,088	3,979	3,918	3,887	4,004
Ratios ⁽⁴⁾								
Return on equity (percent) ⁽⁵⁾	9.8	9.3	10.9	11.1	10.4	10.9	10.7	11.0
Return on capital employed (percent) ⁽⁵⁾⁽⁶⁾	8.0	8.7	9.3	9.4	8.9	9.5	9.4	9.7
Debt to cash flow (times) ⁽⁵⁾	0.9	0.8	0.7	0.8	0.8	0.8	0.8	0.8
Debt to capital employed (percent)	19.8	17.0	16.7	17.0	17.0	17.0	17.0	17.7

⁽¹⁾ Gross revenues and certain net earnings by segment for 2012 have been recast to reflect a change in the classification of certain trading transactions.

⁽²⁾ Cash flow from operations is a non-GAAP measure. Refer to section 6 for a reconciliation to the GAAP measure.

⁽³⁾ During the first quarter of 2013, the Company adopted IFRS 11, "Joint Arrangements" which required interest in a joint venture to be accounted for on an equity basis. Total assets presented in this interim supplemental information reflects the adoption of IFRS 11 from December 31, 2012 onwards.

⁽⁴⁾ The financial ratios constitute non-GAAP measures. Refer to section 6.

⁽⁵⁾ Calculated for the 12 months ended for the dates shown.

⁽⁶⁾ The calculation of return on capital employed for December 31, 2013 only was adjusted for the after-tax impairment charge of \$204 million related to Western Canada natural gas properties. Return on capital employed based on the calculation used in prior periods is 7.9% for December 31, 2013.

The following table is a summary of Husky's capital expenditures:

<i>Capital Expenditures Summary</i> ⁽¹⁾	Three months ended March 31,	
(\$ millions)	2014	2013
Upstream		
Exploration and Development		
Exploration		
Western Canada	54	110
Oil Sands	25	—
Atlantic Region	7	5
Asia Pacific Region	9	6
	95	121
Development		
Western Canada	591	513
Oil Sands	133	158
Atlantic Region	154	139
Asia Pacific Region	149	129
	1,027	939
Acquisitions		
Western Canada	2	6
Total Exploration and Development	1,124	1,066
Infrastructure and Marketing	—	11
Total Upstream	1,124	1,077
Downstream		
Upgrading	4	13
Canadian Refined Products	35	12
U.S. Refining and Marketing	75	27
Total Downstream	114	52
Corporate	31	23
Total Company	1,269	1,152

⁽¹⁾ Excludes capitalized costs related to asset retirement obligations and capitalized interest incurred during the period.

2. Supplemental Upstream Operating Statistics

The following table summarizes Husky's operating netback analysis by product and area:

<i>Operating Netback</i> ⁽¹⁾	Three months ended March 31,	
	2014	2013
Upstream		
Crude oil equivalent (\$/boe) ⁽²⁾		
Sales volume (mboe/day)	325.9	321.3
Price received (\$/boe)	72.21	54.43
Royalties (\$/boe)	9.87	7.05
Operating costs (\$/boe) ⁽³⁾	17.21	15.29
Offshore transportation (\$/boe) ⁽⁴⁾	0.32	0.31
Operating netback (\$/boe)	44.81	31.78
Depletion, depreciation and amortization (\$/boe)	19.55	19.46
Administrative expenses and other (\$/boe) ⁽³⁾	3.29	1.86
Earnings before taxes	21.97	10.46
Lloydminster Heavy Oil		
Thermal Oil		
Bitumen		
Sales volumes (mbls/day)	41.1	37.7
Price received (\$/bbl)	72.30	45.05
Royalties (\$/bbl)	6.34	3.45
Operating costs (\$/boe) ⁽³⁾	12.64	9.05
Operating netback (\$/boe)	53.32	32.55
Non Thermal Oil		
Medium Oil		
Sales volumes (mbls/day)	1.7	2.0
Price received (\$/bbl)	80.93	58.05
Royalties (\$/bbl)	4.67	4.16
Heavy Oil		
Sales volumes (mbls/day)	59.7	57.9
Price received (\$/bbl)	73.29	46.16
Royalties (\$/bbl)	7.92	5.58
Natural Gas		
Sales volumes (mmcf/day)	18.3	21.3
Price received (\$/mcf)	5.02	2.81
Royalties (\$/mcf)	0.74	0.28
Non Thermal Oil Total ⁽²⁾		
Sales volumes (mboe/day)	64.5	63.4
Price received (\$/bbl)	71.47	44.88
Royalties (\$/boe)	7.67	5.31
Operating costs (\$/boe) ⁽³⁾	23.51	20.51
Operating netback (\$/boe)	40.29	19.06
Oil Sands		
Bitumen		
Total sales volumes (mbls/day)	10.9	10.2
Price received (\$/bbl)	65.08	35.94
Royalties (\$/boe)	4.86	2.51
Operating costs (\$/boe) ⁽³⁾	24.23	21.11
Operating netback (\$/boe)	35.99	12.32

<i>Operating Netback Analysis, continued</i>	Three months ended March 31,	
	2014	2013
Western Canada Conventional		
Crude Oil		
Light Oil		
Sales volumes (mbbls/day)	21.2	21.4
Price received (\$/bbl)	94.38	83.66
Royalties (\$/bbl)	13.39	11.82
Medium Oil		
Sales volumes (mbbls/day)	22.0	21.0
Price received (\$/bbl)	83.68	62.08
Royalties (\$/bbl)	13.09	11.40
Heavy Oil		
Sales volumes (mboe/day)	15.8	16.5
Price received (\$/bbl)	68.01	43.95
Royalties (\$/boe)	11.09	7.63
Western Canada Crude Oil Total		
Total sales volumes (mboe/day)	59.0	58.9
Price received (\$/bbl)	83.33	64.81
Royalties (\$/boe)	12.67	10.49
Operating costs (\$/boe) ⁽³⁾	25.27	23.15
Operating netback (\$/boe)	45.39	31.17
Natural Gas & NGLs		
Natural Gas Liquids		
Sales volumes (mbbls/day)	10.2	9.3
Price received (\$/bbl)	85.27	72.75
Royalties (\$/bbl)	18.84	19.02
Natural Gas		
Sales volumes (mmcf/day)	487.6	516.0
Price received (\$/mcf) ⁽⁵⁾	4.82	3.09
Royalties (\$/mcf) ⁽⁵⁾⁽⁶⁾	0.16	0.01
Western Canada Natural Gas & NGLs Total ⁽²⁾		
Total sales volumes (mmcf/day)	548.8	572.0
Price received (\$/mcf)	5.87	3.98
Royalties (\$/mcf)	0.50	0.32
Operating costs (\$/mcf) ⁽³⁾	1.97	1.98
Operating netback (\$/mcf)	3.40	1.68
Atlantic Region		
Light Oil		
Sales volumes (mbbls/day)	50.3	47.9
Price received (\$/bbl)	121.27	116.93
Royalties (\$/boe)	22.87	15.50
Operating costs (\$/boe) ⁽³⁾	12.59	9.98
Transportation (\$/boe) ⁽⁴⁾	2.07	2.08
Operating netback (\$/boe)	83.74	89.37

<i>Operating Netback Analysis, continued</i>	Three months ended March 31,	
	2014	2013
Asia Pacific Region		
Light Oil & NGL ⁽²⁾		
Sales volumes (mboe/day)	8.7	7.8
Price received (\$/bbl)	117.00	112.95
Royalties (\$/boe)	28.03	29.52
Operating costs (\$/boe) ⁽³⁾	10.56	9.97
Operating netback (\$/boe)	78.41	73.46

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

⁽²⁾ Includes associated co-products converted to boe.

⁽³⁾ Operating costs exclude accretion, which is included in administrative expenses and other.

⁽⁴⁾ Offshore transportation costs shown separately from price received.

⁽⁵⁾ Includes sulphur sales revenues/royalties.

⁽⁶⁾ Alberta Gas Cost Allowance reported exclusively as gas royalties.

3. Supplemental Downstream Operating Statistics

<i>Upgrader and Refinery Throughput Summary</i> (\$ millions)	Three months ended March 31,	
	2014	2013
Selected operating data:		
Upgrader throughput (mbbls/day)	72.4	74.2
Prince George Refinery throughput (mbbls/day)	12.0	11.2
Lloydminster Refinery throughput (mbbls/day)	29.0	28.3
Lima Refinery throughput (mbbls/day)	110.5	146.9
Toledo Refinery throughput (mbbls/day)	65.5	66.3
Total Upgrader and Refinery throughput (mbbls/day)	289.4	326.9

4. Common Share Information

<i>(millions)</i>	Three months ended							
	Mar. 31 2014	Dec. 31 2013	Sept. 30 2013	Jun. 30 2013	Mar. 31 2013	Dec. 31 2012	Sept. 30 2012	Jun. 30 2012
Number of common shares outstanding								
Period end	983.5	983.4	983.3	983.1	982.7	982.2	982.0	973.7
Weighted average – basic	983.5	983.4	983.3	983.0	982.5	982.1	981.8	973.6
Weighted average – diluted	985.7	984.8	983.8	983.6	983.8	982.2	981.9	981.8
Share price – HSE: TSX (\$/share)								
High	34.28	33.85	30.68	31.51	32.34	29.50	27.18	25.86
Low	31.70	28.50	27.25	26.97	28.80	26.08	24.52	22.04
Close	33.16	33.70	29.62	28.02	29.16	29.40	26.42	25.45
Ordinary quarterly dividend per common share ⁽¹⁾	-	0.30	0.30	0.30	0.30	0.30	0.30	0.30

⁽¹⁾ Dividend for the first quarter of 2014 is expected to be declared by the Board of Directors following the May 6, 2014 board meeting.

5. Cautionary Note Required by National Instrument 51-101

The Company uses the term barrels of oil equivalent (“boe”) which is calculated on an energy equivalence basis whereby one barrel of crude oil is equivalent to six thousand cubic feet of natural gas. Readers are cautioned that the term boe may be misleading, particularly if used in isolation. This measure is primarily applicable at the burner tip and does not represent value equivalence at the wellhead.

6. Non-GAAP Measures

Husky uses measurements primarily based on IFRS and also on secondary non-GAAP measurements. The non-GAAP measurements included in this Interim Supplemental Information are: return on equity, return on capital employed, debt to cash flow, debt to capital employed and cash flow from operations. None of these measurements are used to enhance the Company’s reported financial performance or position. These are useful complementary measurements in assessing Husky’s financial performance, efficiency and liquidity. With the exception of cash flow from operations, there are no comparable measures in accordance with IFRS. The non-GAAP measurements do not have a standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other users. They are common in the reports of other companies but may differ by definition and application.

Return on equity is calculated as net earnings divided by the two-year average of shareholders’ equity. Return on capital employed is calculated as net earnings plus after-tax finance expense divided by the two-year average of long-term debt including long-term debt due within one year and total shareholders’ equity. The calculation of return on capital employed for December 31, 2013 was adjusted for the after-tax impairment charge of \$204 million related to Western Canada natural gas properties. Return on capital employed based on the calculation used in prior periods is 7.9% for December 31, 2013. Debt to cash flow is calculated as long-term debt and long-term debt due within one year divided by cash flow from operations. Debt to capital employed is calculated as long-term debt and long-term debt due within one year divided by capital employed.

This Interim Supplemental Information contains the term “cash flow from operations,” which should not be considered an alternative to, or more meaningful than “cash flow – operating activities” as determined in accordance with IFRS, as an indicator of Husky’s financial performance. Cash flow from operations is presented in Husky’s financial reports to assist management and investors in analyzing operating performance by business in the stated period. Cash flow from operations equals net earnings plus items not affecting cash which include accretion, depletion, depreciation, amortization and impairment, exploration and evaluation expenses, deferred income taxes, foreign exchange, stock-based compensation, gain or loss on sale of property, plant, and equipment and other non-cash items.

The following table shows the reconciliation of cash flow – operating activities to cash flow from operations and the related per share amounts for the periods noted:

(\$ millions)		Three months ended March 31,	
		2014	2013
GAAP	Cash flow – operating activities	1,336	1,315
	Settlement of asset retirement obligations	49	43
	Income taxes paid	96	141
	Interest received	(3)	(3)
	Change in non-cash working capital	58	(213)
Non-GAAP	Cash flow from operations	1,536	1,283
	Cash flow from operations – basic	1.56	1.31
	Cash flow from operations – diluted	1.56	1.30

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