



**Interim Supplemental Information** *(unaudited)*  
**For the period ended September 30, 2016**

**Husky Energy Inc.**

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### 1. Supplemental Financial Information

	Three months ended							
	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31
<i>(\$ millions, except where indicated)</i>	2016	2016	2016	2015	2015	2015	2015	2014
Gross revenues and marketing and other	3,520	3,261	2,578	3,903	4,286	4,526	4,086	5,875
Net earnings (loss) by segment								
Upstream <sup>(1)</sup>	1,369	(193)	(301)	(124)	(4,071)	(3)	(56)	(346)
Downstream <sup>(2)</sup>	66	155	62	101	76	239	244	(166)
Corporate	(45)	(158)	(219)	(46)	(97)	(116)	3	(91)
Net earnings (loss)	1,390	(196)	(458)	(69)	(4,092)	120	191	(603)
Net earnings (loss)								
Per share – Basic (\$/share)	1.37	(0.20)	(0.47)	(0.08)	(4.17)	0.11	0.19	(0.62)
Per share – Diluted (\$/share)	1.37	(0.20)	(0.47)	(0.09)	(4.19)	0.10	0.17	(0.65)
Cash flow from operations <sup>(3)</sup>	484	488	434	640	674	1,177	838	1,145
Per share – Basic (\$/share)	0.48	0.49	0.43	0.65	0.68	1.20	0.85	1.16
Per share – Diluted (\$/share)	0.48	0.49	0.43	0.65	0.68	1.20	0.85	1.16
Total assets	31,563	30,978	31,896	33,056	33,545	38,482	38,343	38,848
Cash and cash equivalents	1,380	20	—	70	—	177	169	1,267
Total debt <sup>(4)</sup>	5,508	6,333	6,977	6,756	6,842	6,176	5,997	5,292
Debt to capital employed (percent) <sup>(5)</sup>	24.1	28.5	30.2	28.9	28.9	22.8	22.2	20.5

<sup>(1)</sup> Upstream includes Exploration and Production and Infrastructure and Marketing.

<sup>(2)</sup> Downstream includes Upgrader, Canadian Refined Products and U.S Refining and Marketing.

<sup>(3)</sup> Cash flow from operations is a non-GAAP measure. Refer to section 6 for a reconciliation to the GAAP measure.

<sup>(4)</sup> Total debt includes long-term debt, long-term debt due within one year and short-term debt.

<sup>(5)</sup> Debt to capital employed is a non-GAAP measure. Refer to section 6.

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

**Capital Expenditures Summary<sup>(1)</sup>**

(\$ millions)	Three months ended						Nine months ended	
	Sept. 30 2016	Jun. 30 2016	Mar. 31 2016	Dec. 31 2015	Sept. 30 2015	Jun. 30 2015	Sept. 30 2016	Sept. 30 2015
<b>Upstream</b>								
Exploration and Development								
Exploration								
Western Canada <sup>(2)</sup>	6	2	2	2	9	8	10	22
Heavy Oil <sup>(2)</sup>	1	1	3	4	—	1	5	8
Atlantic Region	(3)	8	11	14	51	44	16	155
Asia Pacific Region <sup>(3)</sup>	1	—	—	—	—	—	1	—
	5	11	16	20	60	53	32	185
Development								
Western Canada <sup>(2)</sup>	10	37	45	106	87	65	92	314
Heavy Oil <sup>(2)</sup>	72	59	75	198	212	232	206	701
Oil Sands <sup>(2)</sup>	(7)	3	11	27	54	100	7	237
Atlantic Region	52	87	17	24	125	103	156	355
Asia Pacific Region <sup>(3)</sup>	36	51	11	—	8	17	98	46
	163	237	159	355	486	517	559	1,653
Acquisitions								
Western Canada <sup>(2)</sup>	—	—	—	—	1	1	—	2
Heavy Oil <sup>(2)</sup>	5	2	—	3	50	—	7	51
Total Exploration and Development	173	250	175	378	597	571	598	1,891
Infrastructure and Marketing <sup>(4)</sup>	(5)	24	32	42	77	30	51	126
<b>Total Upstream</b>	<b>168</b>	<b>274</b>	<b>207</b>	<b>420</b>	<b>674</b>	<b>601</b>	<b>649</b>	<b>2,017</b>
<b>Downstream</b>								
Upgrading	13	13	6	12	19	7	32	34
Canadian Refined Products	3	29	8	14	6	5	40	16
U.S. Refining and Marketing	107	267	182	182	100	95	556	243
<b>Total Downstream</b>	<b>123</b>	<b>309</b>	<b>196</b>	<b>208</b>	<b>125</b>	<b>107</b>	<b>628</b>	<b>293</b>
<b>Corporate</b>	<b>18</b>	<b>12</b>	<b>7</b>	<b>13</b>	<b>18</b>	<b>19</b>	<b>37</b>	<b>54</b>
<b>Total Company</b>	<b>309</b>	<b>595</b>	<b>410</b>	<b>641</b>	<b>817</b>	<b>727</b>	<b>1,314</b>	<b>2,364</b>

<sup>(1)</sup> Excluding capitalized costs related to asset retirement obligations and capitalized interest incurred during the period.

<sup>(2)</sup> During the second quarter of 2015, the Company reclassified capital expenditures to Heavy Oil, previously classified as part of Western Canada and Oil Sands.

<sup>(3)</sup> Capital expenditures in the Asia Pacific Region exclude amounts related to the Husky-CNOOC Madura Ltd. joint venture which is accounted for under the equity method.

<sup>(4)</sup> Capital expenditures in Infrastructure and Marketing exclude amounts related to the Husky Midstream Limited Partnership ("HMLP") joint venture which is accounted for under the equity method.

## 2. Supplemental Upstream Operating Statistics<sup>(6)</sup>

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

<i>Operating Netback Analysis</i> <sup>(1)</sup>	Three months ended						Nine months ended	
	Sept. 30 2016	Jun. 30 2016	Mar. 31 2016	Dec. 31 2015	Sept. 30 2015	Jun. 30 2015	Sept. 30 2016	Sept. 30 2015
<b>Upstream<sup>(1)</sup></b>								
Crude oil equivalent (\$/boe) <sup>(2)</sup>								
Sales volume (mboe/day)	301.0	315.8	341.3	357.0	333.0	336.9	319.3	341.9
Price received (\$/boe)	33.11	34.59	25.02	34.89	39.45	49.50	30.73	43.23
Royalties (\$/boe)	2.01	3.12	1.74	2.60	2.70	4.37	2.28	3.71
Operating costs (\$/boe)	15.15	13.90	13.31	14.51	15.52	15.72	14.09	15.36
Offshore transportation (\$/boe) <sup>(3)</sup>	0.25	0.27	0.29	0.50	0.51	0.48	0.27	0.49
Operating netback (\$/boe)	15.70	17.30	9.68	17.28	20.72	28.93	14.09	23.67
Depletion, depreciation, amortization and impairment (\$/boe)	17.11	18.81	18.13	19.52	193.25	23.21	18.03	78.76
Administrative expenses and other (\$/boe)	2.99	2.82	2.15	2.48	2.43	2.55	2.63	2.59
Earnings (loss) before taxes (\$/boe)	(4.40)	(4.33)	(10.60)	(4.72)	(174.96)	3.17	(6.57)	(57.68)
<b>Operating netbacks by commodity</b>								
<b>Crude Oil &amp; NGL's Total</b>								
Sales volumes (mbbls/day)	214.1	227.7	238.2	246.9	223.4	216.6	226.6	225.5
Price received (\$/bbl)	36.83	39.94	24.41	35.71	41.92	56.79	33.53	47.21
Royalties (\$/bbl)	2.65	4.10	2.33	2.98	3.97	6.26	3.02	5.16
Operating costs (\$/bbl)	16.79	14.66	14.52	16.38	17.79	18.62	15.29	17.87
Offshore Transportation (\$/bbl) <sup>(3)</sup>	0.35	0.37	0.41	0.73	0.75	0.74	0.38	0.74
Operating netback (\$/bbl)	17.04	20.81	7.15	15.62	19.41	31.17	14.84	23.44
<b>Natural Gas Total<sup>(2)</sup></b>								
Sales volumes (mmcf/day)	521.3	528.8	618.6	660.7	657.7	721.6	556.1	698.5
Price received (\$/mcf)	3.99	3.46	4.41	5.51	5.76	6.09	3.98	5.94
Royalties (\$/mcf)	0.08	0.10	0.07	0.18	0.04	0.19	0.08	0.17
Operating costs (\$/mcf)	1.85	1.99	1.75	1.72	1.82	1.75	1.86	1.75
Operating netback (\$/mcf)	2.06	1.37	2.59	3.61	3.90	4.15	2.04	4.02
<b>Lloydminster Heavy Oil</b>								
<b>Thermal Oil</b>								
<b>Bitumen</b>								
Sales volumes (mbbls/day)	68.4	59.1	56.3	56.8	50.0	41.2	61.3	45.5
Price received (\$/bbl)	30.98	34.54	17.35	27.64	35.69	48.95	27.98	39.88
Royalties (\$/bbl)	1.02	3.62	0.70	1.72	4.17	5.02	1.76	4.38
Operating costs (\$/bbl)	10.24	6.31	6.63	7.15	9.46	10.41	7.82	9.77
Operating netback (\$/bbl)	19.72	24.61	10.02	18.77	22.06	33.52	18.40	25.73
<b>Non Thermal Oil</b>								
<b>Medium Oil</b>								
Sales volumes (mbbls/day)	2.2	2.2	2.1	2.1	2.1	2.3	2.1	2.2
Price received (\$/bbl)	39.62	39.50	24.06	34.55	38.49	54.84	34.57	44.33
Royalties (\$/bbl)	1.73	2.38	1.16	0.81	1.84	2.84	1.76	2.28
<b>Heavy Oil</b>								
Sales volumes (mbbls/day)	43.3	45.6	48.5	52.4	54.1	55.0	45.8	55.6
Price received (\$/bbl)	35.84	35.27	18.16	28.62	36.95	51.31	29.42	40.61
Royalties (\$/bbl)	3.11	2.62	1.08	2.34	3.84	5.66	2.24	4.91
<b>Natural Gas</b>								
Sales volumes (mmcf/day)	18.2	18.2	17.3	17.7	18.4	17.3	17.9	17.5
Price received (\$/mcf)	1.88	0.98	1.51	2.12	2.52	2.37	1.46	2.31
Royalties (\$/mcf)	0.06	(0.03)	0.13	0.15	0.17	0.23	0.06	0.20
<b>Non Thermal Oil Total<sup>(2)</sup></b>								
Sales volumes (mboe/day)	48.5	50.8	53.5	57.5	59.3	60.2	50.9	60.7
Price received (\$/boe)	34.50	33.72	17.90	28.00	35.86	49.67	28.42	39.47
Royalties (\$/boe)	2.89	2.44	1.07	2.21	3.62	5.35	2.11	4.64
Operating costs (\$/boe)	20.33	16.23	16.33	18.26	18.73	17.44	17.66	18.40
Operating netback (\$/boe)	11.28	15.05	0.50	7.53	13.51	26.88	8.65	16.43

	Three months ended						Nine months ended	
	Sept. 30 2016	Jun. 30 2016	Mar. 31 2016	Dec. 31 2015	Sept. 30 2015	Jun. 30 2015	Sept. 30 2016	Sept. 30 2015
<b>Operating Netback Analysis, continued</b>								
<b>Cold Lake</b>								
Bitumen								
Sales volumes (mmbbls/day)	19.9	19.4	16.2	15.1	13.0	7.3	18.5	10.1
Price received (\$/bbl)	29.76	31.43	12.92	24.65	32.31	46.11	25.47	34.75
Royalties (\$/bbl)	0.52	(0.21)	0.23	0.64	0.67	1.20	0.18	0.78
Operating costs (\$/bbl)	9.20	5.09	7.41	10.10	13.89	39.02	7.22	21.45
Operating netback (\$/bbl)	20.04	26.55	5.28	13.91	17.75	5.89	18.07	12.52
<b>Oil Sands</b>								
Bitumen								
Sales volumes (mmbbls/day)	15.3	9.5	9.3	7.1	3.7	1.8	11.4	1.9
Price received (\$/bbl)	22.77	7.63	(14.55)	12.07	14.52	46.38	8.42	25.02
Royalties (\$/bbl)	0.45	0.36	0.07	0.30	0.77	1.20	0.32	0.91
Operating costs (\$/bbl)	21.42	33.79	38.67	56.23	97.22	124.88	29.53	145.53
Transportation (\$/bbl) <sup>(3)</sup>	—	—	—	11.93	20.45	39.97	—	38.94
Operating netback (\$/bbl)	0.90	(26.52)	(53.29)	(56.39)	(103.92)	(119.67)	(21.43)	(160.36)
<b>Western Canada Conventional</b>								
Crude Oil								
Light Oil and Medium								
Sales volumes (mmbbls/day)	14.3	27.4	30.9	32.3	32.9	35.0	24.3	35.0
Price received (\$/bbl)	46.98	49.61	26.90	43.12	45.76	61.98	39.41	50.31
Royalties (\$/bbl)	3.73	3.79	3.79	5.12	4.91	6.09	3.77	5.63
Heavy Oil								
Sales volumes (bbls/day)	6.2	11.9	13.0	14.3	13.8	15.0	10.3	14.4
Price received (\$/bbl)	29.25	33.31	17.96	29.14	34.90	46.14	26.07	37.08
Royalties (\$/bbl)	2.71	3.95	2.69	3.67	4.79	7.70	3.17	5.57
Western Canada Crude Oil Total								
Total sales volumes (mboe/day)	20.5	39.3	43.9	46.6	46.7	50.0	34.6	49.4
Price received (\$/bbl)	41.62	44.67	24.25	38.83	42.55	57.22	35.44	46.45
Royalties (\$/bbl)	3.42	3.84	3.46	4.68	4.87	6.57	3.59	5.61
Operating costs (\$/bbl)	26.83	21.88	22.73	25.19	22.71	24.59	23.23	24.23
Operating netback (\$/bbl)	11.37	18.95	(1.94)	8.96	14.97	26.06	8.62	16.61
Natural Gas & NGLs								
Natural Gas Liquids								
Sales volumes (mmbbls/day)	7.9	8.0	8.8	8.6	8.4	8.7	8.2	8.8
Price received (\$/bbl)	29.18	31.09	26.59	32.46	32.53	38.84	28.87	34.61
Royalties (\$/bbl)	7.22	7.77	5.77	7.55	8.41	7.96	6.86	7.83
Natural Gas								
Sales volumes (mmcf/day)	396.0	423.3	491.4	490.2	486.6	501.5	436.8	498.4
Price received (\$/mcf) <sup>(4)</sup>	2.24	1.24	1.92	2.44	2.78	2.77	1.80	2.80
Royalties (\$/mcf) <sup>(4)(5)</sup>	(0.06)	(0.02)	(0.11)	(0.04)	(0.25)	(0.05)	(0.06)	(0.09)
Western Canada Natural Gas & NGLs Total <sup>(2)</sup>								
Total sales volumes (mmcf/day)	443.4	471.3	544.2	541.8	537.0	553.7	486.0	551.2
Price received (\$/mcf)	2.52	1.64	2.16	2.72	3.03	3.12	2.10	3.08
Royalties (\$/mcf)	0.08	0.11	(0.01)	0.08	(0.09)	0.08	0.06	0.04
Operating costs (\$/mcf)	1.99	2.09	1.81	2.00	2.04	2.04	1.95	2.06
Operating netback (\$/mcf)	0.45	(0.56)	0.36	0.64	1.08	1.00	0.09	0.98

	Three months ended						Nine months ended	
	Sept. 30 2016	Jun. 30 2016	Mar. 31 2016	Dec. 31 2015	Sept. 30 2015	Jun. 30 2015	Sept. 30 2016	Sept. 30 2015
<b>Operating Netback Analysis, continued</b>								
<b>Atlantic Region</b>								
Light Oil								
Sales volumes (mbbls/day)	24.8	32.7	40.5	43.5	29.6	32.6	32.6	34.6
Price received (\$/bbl)	61.05	61.83	50.00	54.12	64.98	79.25	56.76	70.88
Royalties (\$/bbl)	7.14	10.44	5.51	5.26	4.39	10.55	7.57	8.35
Operating costs (\$/bbl)	28.07	20.27	14.20	15.31	20.94	19.20	19.76	17.38
Transportation (\$/bbl) <sup>(3)</sup>	3.01	2.57	2.47	2.19	3.14	2.69	2.64	2.74
Operating netback (\$/bbl)	22.83	28.55	27.82	31.36	36.51	46.81	26.79	42.41
<b>Asia Pacific Region</b>								
Light Oil <sup>(2)</sup>								
Sales volumes - light oil (mbbls/day)	6.3	7.1	7.4	6.4	7.5	7.2	6.9	7.6
Price received (\$/bbl)	54.35	60.34	40.62	52.69	53.54	71.85	51.22	62.31
Royalties (\$/boe)	3.75	4.17	2.48	3.78	0.73	4.10	3.45	2.69
NGLs								
Sales volumes (mbbls/day)	5.5	4.8	5.2	8.3	8.3	10.5	5.2	9.8
Price received (\$/bbl)	44.83	45.94	40.92	52.91	53.92	62.65	43.78	58.58
Royalties (\$/bbl)	2.57	2.59	2.25	2.99	2.75	3.46	2.48	3.45
Natural Gas								
Sales volumes (mmcf/day)	107.1	87.3	109.9	152.8	152.7	202.8	101.4	182.6
Price received (\$/mcf)	10.86	14.81	15.96	15.76	15.51	14.50	13.82	14.76
Royalties (\$/mcf)	0.57	0.78	0.82	0.96	0.81	0.75	0.72	0.77
Asia Pacific Light Oil, NGL & Natural Gas Total <sup>(2)</sup>								
Total sales volumes (mboe/day)	29.7	26.5	30.9	40.2	41.3	51.5	29.0	47.8
Price received (\$/boe)	58.99	73.28	73.38	79.22	77.90	79.92	68.41	78.29
Royalties (\$/boe)	3.33	4.16	3.89	4.87	3.68	4.23	3.79	4.08
Operating costs (\$/boe)	7.89	9.91	8.38	6.20	6.52	6.09	8.67	5.66
Operating netback (\$/boe)	47.77	59.21	61.11	68.15	67.70	69.60	55.95	68.55

<sup>(1)</sup> 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.

<sup>(2)</sup> Includes associated co-products converted to boe and mcf.

<sup>(3)</sup> Includes offshore transportation costs shown separately from price received. During the first quarter of 2016, the Company reclassified Oil Sands transportation costs to net against price received. Prior periods have not been restated.

<sup>(4)</sup> Includes sulphur sales revenues/royalties.

<sup>(5)</sup> Alberta Gas Cost Allowance reported exclusively as gas royalties.

<sup>(6)</sup> In Q3 2016, Husky completed the sale of its ownership interest in select midstream assets. These assets are held by HMLP, of which Husky has a 35% investment in. Husky's investment is considered a joint venture and is prospectively being accounted for using the equity method.

### 3. Supplemental Downstream Operating Statistics

	Sept. 30 2016	Jun. 30 2016	Three months ended				Nine months ended	
			Mar. 31 2016	Dec. 31 2015	Sept. 30 2015	Jun. 30 2015	Sept. 30 2016	Sept. 30 2015
<b>Upgrader and Refinery Selected Operating Data</b>								
<b>Upgrader</b>								
Upgrader throughput (mbbls/day) <sup>(1)</sup>	69.2	76.9	77.6	81.2	44.2	70.6	74.6	66.0
Total sales (mbbls/day)	69.7	76.5	78.3	80.7	42.5	73.2	74.9	65.4
Synthetic crude oil sales (mbbls/day)	53.3	59.8	57.7	59.4	31.6	55.0	57.0	48.3
Upgrading differential (\$/bbl)	19.45	20.85	22.23	22.19	17.58	18.93	20.82	17.47
Unit margin (\$/bbl)	17.00	21.12	20.21	20.47	7.16	16.21	19.49	13.72
Unit operating cost (\$/bbl) <sup>(2)</sup>	6.75	5.72	5.10	5.89	9.84	6.54	5.82	6.94
<b>Canadian Refined Products</b>								
Prince George Refinery throughput (mbbls/day)	9.7	5.1	11.0	11.3	11.0	8.5	8.6	10.5
Lloydminster Refinery throughput (mbbls/day)	26.7	28.2	28.0	28.2	26.4	28.4	27.6	28.0
Ethanol production (thousands of litres/day)	796.3	809.2	810.7	822.0	814.2	767.9	805.4	785.8
Number of fuel outlets <sup>(3)</sup>	481	482	481	485	486	488	481	487
Fuel sales volume (millions of litres/day)	6.8	6.8	6.2	7.3	7.7	7.6	6.6	7.6
Fuel sales per retail outlet (thousands of litres/day)	12.4	11.6	11.1	12.1	13.2	12.4	11.8	12.7
<b>U.S. Refining and Marketing</b>								
Lima Refinery throughput (mbbls/day)	155.6	103.9	127.5	144.8	142.9	136.1	129.1	133.1
BP-Husky Toledo Refinery throughput (mbbls/day) <sup>(4)</sup>	58.4	41.2	69.4	72.8	68.0	75.5	56.3	64.6
Refining margin (U.S. \$/bbl crude throughput)	7.34	16.46	3.76	4.51	8.10	17.88	9.60	12.10
Refinery inventory (mmbbls) <sup>(5)</sup>	11.2	11.1	10.1	9.8	12.5	10.4	11.2	12.5

<sup>(1)</sup> Upgrader throughput includes diluent returned to the field.

<sup>(2)</sup> Based on total throughput.

<sup>(3)</sup> Average number of fuel outlets for period indicated.

<sup>(4)</sup> BP-Husky Toledo Refinery throughput was revised in the first quarter of 2016 to reflect total throughput. Prior periods reflected crude throughput only and have been restated to conform with current presentation.

<sup>(5)</sup> Included in refinery inventory is feedstock and refined products.

### 4. Common Share Information

	Sept. 30 2016	Jun. 30 2016	Mar. 31 2016	Dec. 31 2015	Three months ended			
					Sept. 30 2015	Jun. 30 2015	Mar. 31 2015	Dec. 31 2014
Number of common shares outstanding, except where indicated (millions)								
Period end	1,005.5	1,005.5	1,005.5	984.3	984.1	984.0	983.8	983.7
Weighted average – basic	1,005.5	1,005.5	1,003.1	984.3	984.1	984.0	983.8	983.7
Weighted average – diluted	1,005.5	1,005.5	1,003.1	984.3	984.1	984.1	984.0	983.7
Share price – HSE: TSX (\$/share)								
High	17.22	18.10	17.09	23.50	24.41	28.06	29.48	30.74
Low	15.01	14.35	11.34	14.03	20.43	23.22	24.32	21.39
Close	16.07	15.77	16.17	14.31	20.81	23.89	25.85	27.50
Ordinary quarterly dividend per common share	—	—	—	—	0.30	0.30	0.30	0.30

### 5. Cautionary Note Required by National Instrument 51-101

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

## 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: debt to capital employed, cash flow from operations and operating netback. 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.

Debt to capital employed is calculated as long-term debt, long-term debt due within one year and short-term debt divided by capital employed. Capital employed is equal to long-term debt, long-term debt due within one year, short-term debt and shareholders equity. Management believes this measurement assists management and investors in evaluating the Company's financial strength.

Operating netback is a common non-GAAP metric used in the oil and gas industry. Management believes this measurement assists it 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.

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 (loss) plus items not affecting cash which include accretion, depletion, depreciation, amortization and impairment, inventory write-downs to net realizable value, exploration and evaluation expenses, deferred income taxes (recoveries), foreign exchange (gain) loss, stock-based compensation, loss (gain) on sale of property, plant, and equipment, unrealized mark to market gains and losses, 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:

		Three months ended		Nine months ended	
		September 30,		September 30,	
(\$ millions)		2016	2015	2016	2015
GAAP	Net earnings (loss)	1,390	(4,092)	736	(3,781)
	Items not affecting cash:				
	Accretion	29	30	96	91
	Depletion, depreciation, amortization and impairment	638	6,074	2,057	7,843
	Exploration and evaluation expenses	—	229	30	235
	Deferred income taxes	99	(1,510)	(16)	(1,690)
	Foreign exchange	12	14	25	35
	Stock-based compensation	5	(10)	30	(24)
	Loss (gain) on sale of assets	(1,680)	(16)	(1,582)	(16)
	Unrealized mark to market	(28)	(56)	12	(11)
	Other	19	11	18	7
Non-GAAP	Cash flow from operations	484	674	1,406	2,689
	Cash flow from operations – basic	0.48	0.68	1.40	2.73
	Cash flow from operations – diluted	0.48	0.68	1.40	2.73