



Interim Supplemental Information *(unaudited)*
For the period ended December 31, 2018

Husky Energy Inc.

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1. Supplemental Financial Information

	Three months ended							
	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31
	2018	2018	2018	2018	2017	2017	2017	2017
<i>(\$ millions, except where indicated)</i>								
Gross revenues and marketing and other ⁽¹⁾	5,042	6,300	5,983	5,262	5,534	4,713	4,351	4,348
Net earnings (loss) by segment								
Upstream ⁽²⁾	(80)	363	312	195	143	38	(34)	113
Downstream ⁽³⁾	348	289	231	132	216	161	29	42
Corporate	(52)	(107)	(95)	(79)	313	(63)	(88)	(84)
Net earnings (loss)	216	545	448	248	672	136	(93)	71
Net earnings (loss)								
Per share – Basic (\$/share)	0.21	0.53	0.44	0.24	0.66	0.13	(0.10)	0.06
Per share – Diluted (\$/share)	0.16	0.53	0.44	0.24	0.66	0.13	(0.10)	0.06
Funds from operations ⁽⁴⁾	583	1,318	1,208	895	1,014	891	715	686
Per share – Basic (\$/share)	0.58	1.31	1.20	0.89	1.01	0.89	0.71	0.68
Per share – Diluted (\$/share)	0.58	1.31	1.20	0.89	1.01	0.89	0.71	0.68
Total assets	35,225	34,675	33,992	33,287	32,927	32,157	32,372	32,894
Cash and cash equivalents	2,866	2,916	2,583	2,301	2,513	2,486	2,500	2,245
Total debt ⁽⁵⁾	5,747	5,552	5,609	5,543	5,440	5,436	5,952	6,053
Debt to capital employed (percent) ⁽⁶⁾	22.7	22.5	23.0	23.2	23.2	23.9	25.5	25.5

⁽¹⁾ During the third quarter of 2017, the Company had corrected certain intrasegment sales eliminations. Gross revenues and purchases of crude oil and products have been recast for the first two quarters of 2017. There was no impact on net earnings.

⁽²⁾ Upstream includes Exploration and Production and Infrastructure and Marketing.

⁽³⁾ Downstream includes Upgrading, Canadian Refined Products and U.S. Refining and Marketing.

⁽⁴⁾ Funds from operations is a non-GAAP measure. Refer to section 6 for a reconciliation to the GAAP measure.

⁽⁵⁾ Total debt is a non-GAAP measure and includes long-term debt, long-term debt due within one year and short-term debt.

⁽⁶⁾ 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⁽¹⁾

(\$ millions)	Three months ended								Year ended	
	Dec. 31 2018	Sept. 30 2018	Jun. 30 2018	Mar. 31 2018	Dec. 31 2017	Sept. 30 2017	Jun. 30 2017	Mar. 31 2017	Dec. 31 2018	Dec. 31 2017
Upstream										
Exploration and Development										
Exploration										
Western Canada	34	32	8	25	16	27	11	9	99	63
Thermal developments	4	—	2	1	7	—	1	—	7	8
Atlantic	8	6	56	3	1	1	3	62	73	67
Asia Pacific ⁽²⁾	—	18	23	11	4	3	1	2	52	10
	46	56	89	40	28	31	16	73	231	148
Development										
Western Canada	106	100	35	91	105	39	22	30	332	196
Thermal developments	297	234	191	152	177	131	108	118	874	534
Non - thermal developments	56	24	15	15	54	20	21	11	110	106
Atlantic	324	255	162	175	153	134	87	43	916	417
Asia Pacific ⁽²⁾	68	45	31	4	2	—	(4)	4	148	2
	851	658	434	437	491	324	234	206	2,380	1,255
Acquisitions										
Western Canada	—	—	—	4	—	—	15	10	4	25
Thermal developments	1	1	1	38	6	—	42	—	41	48
	1	1	1	42	6	—	57	10	45	73
Total Exploration and Development	898	715	524	519	525	355	307	289	2,656	1,476
Infrastructure and Marketing	—	—	(15)	15	—	—	—	—	—	—
Total Upstream	898	715	509	534	525	355	307	289	2,656	1,476
Downstream										
Upgrading	9	9	33	11	14	27	168	21	62	230
Canadian Refined Products	22	23	18	11	25	14	37	11	74	87
U.S. Refining and Marketing	296	196	118	55	122	88	52	51	665	313
Total Downstream	327	228	169	77	161	129	257	83	801	630
Corporate	40	25	30	26	59	27	16	12	121	114
Total Company	1,265	968	708	637	745	511	580	384	3,578	2,220

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

⁽²⁾ Capital expenditures in Asia Pacific exclude amounts related to the Husky-CNOOC Madura Ltd. joint venture which is accounted for under the equity method.

2. Supplemental Upstream Operating Statistics

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

	Three months ended								Year ended	
	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Dec. 31
Operating Netback Analysis ⁽¹⁾	2018	2018	2018	2018	2017	2017	2017	2017	2018	2017
Upstream										
Crude oil equivalent (\$/boe) ⁽²⁾										
Sales volume (mboe/day)	304.3	296.7	295.5	300.4	320.4	317.7	319.5	334.0	299.2	322.9
Gross revenue (\$/boe) ⁽⁶⁾	25.47	50.44	49.74	40.87	46.69	40.05	41.58	41.58	41.50	42.47
Royalties (\$/boe)	2.08	4.24	3.98	2.98	3.28	2.45	3.14	3.47	3.30	3.07
Production and operating costs (\$/boe) ⁽⁶⁾	13.75	14.68	14.22	13.33	13.20	14.12	14.65	13.75	14.00	13.93
Offshore transportation (\$/boe) ⁽³⁾	0.22	0.22	0.23	0.19	0.21	0.23	0.26	0.19	0.22	0.22
Operating netback (\$/boe)	9.42	31.30	31.31	24.37	30.00	23.25	23.53	24.17	23.98	25.25
Depletion, depreciation, amortization and impairment (\$/boe)	17.22	17.47	16.50	16.73	16.17	17.78	24.28	18.24	16.99	19.08
Administrative expenses and other (\$/boe)	3.59	3.53	3.59	3.57	3.80	3.10	2.97	2.67	3.57	3.13
Earnings (loss) before taxes (\$/boe)	(11.39)	10.30	11.22	4.07	10.03	2.37	(3.72)	3.26	3.42	3.04
Operating netbacks by commodity										
Crude Oil & NGL's Total ⁽⁷⁾										
Sales volumes (mmbbls/day)	214.7	210.1	213.2	220.9	231.2	223.8	233.7	243.5	214.7	233.0
Gross revenue (\$/bbl) ⁽⁶⁾	18.93	56.02	53.83	40.39	51.06	43.62	44.53	45.10	42.16	46.09
Royalties (\$/bbl)	2.04	5.24	4.91	3.54	3.97	3.33	3.98	4.36	3.92	3.92
Production and operating costs (\$/bbl) ⁽⁶⁾	16.63	17.12	16.21	15.26	14.32	15.91	16.18	15.05	16.30	15.36
Offshore transportation (\$/bbl) ⁽³⁾	0.31	0.31	0.32	0.26	0.29	0.33	0.36	0.27	0.30	0.31
Operating netback (\$/bbl)	(0.05)	33.35	32.39	21.33	32.48	24.05	24.01	25.42	21.64	26.50
Natural Gas Total ⁽⁷⁾										
Sales volumes (mmcf/day)	537.6	519.5	494.0	477.0	534.9	563.4	514.8	543.1	507.0	539.1
Gross revenue (\$/mcf) ⁽⁶⁾	6.86	6.15	6.53	7.03	5.89	5.25	5.59	5.35	6.64	5.52
Royalties (\$/mcf)	0.36	0.30	0.26	0.23	0.24	0.05	0.14	0.17	0.29	0.15
Production and operating costs (\$/mcf) ⁽⁶⁾	1.14	1.46	1.51	1.33	1.72	1.64	1.75	1.71	1.36	1.70
Operating netback (\$/mcf)	5.36	4.39	4.76	5.47	3.93	3.56	3.70	3.47	4.99	3.67
Thermal Development										
Lloydminster Thermal										
Bitumen										
Sales volumes (mmbbls/day)	80.5	74.3	75.1	77.3	75.3	76.4	76.5	80.4	76.8	77.1
Gross revenue (\$/bbl) ⁽⁶⁾	11.31	49.89	49.69	32.77	45.12	39.79	39.30	38.02	35.39	40.53
Royalties (\$/bbl)	0.40	3.83	3.03	2.56	2.31	2.77	3.22	2.73	2.41	2.76
Production and operating costs (\$/boe) ⁽⁶⁾	10.96	10.23	10.50	10.44	8.83	9.64	11.94	10.41	10.54	10.21
Operating netback (\$/bbl)	(0.05)	35.83	36.16	19.77	33.98	27.38	24.14	24.88	22.44	27.56
Tucker Thermal										
Bitumen										
Sales volumes (mmbbls/day)	25.2	18.3	23.4	22.5	22.6	21.1	21.8	22.3	22.4	21.9
Gross revenue (\$/bbl) ⁽⁶⁾	5.31	49.69	43.67	27.03	41.45	37.92	36.80	34.57	29.76	37.73
Royalties (\$/bbl)	1.10	2.73	2.59	1.12	1.02	0.60	1.09	0.88	1.82	0.90
Production and operating costs (\$/bbl) ⁽⁶⁾	9.29	17.43	9.41	9.75	8.64	8.97	11.62	10.16	11.12	9.84
Operating netback (\$/bbl)	(5.08)	29.53	31.67	16.16	31.79	28.35	24.09	23.53	16.82	26.99
Sunrise Energy Project										
Bitumen										
Sales volumes (mmbbls/day)	27.2	24.7	24.7	23.4	23.0	20.2	19.1	17.9	25.0	20.1
Gross revenue (\$/bbl) ⁽⁶⁾	(11.90)	31.51	29.07	11.98	31.74	32.15	30.87	23.32	14.50	29.79
Royalties (\$/bbl)	0.58	2.23	1.96	0.72	0.96	0.52	0.75	0.82	1.36	0.77
Production and operating costs (\$/bbl) ⁽⁶⁾	13.12	13.49	14.52	16.88	14.28	15.58	18.45	20.26	14.43	16.91
Operating netback (\$/bbl)	(25.60)	15.79	12.59	(5.62)	16.50	16.05	11.67	2.24	(1.29)	12.11
Thermal Development Bitumen Total										
Sales volumes (mmbbls/day)	132.9	117.3	123.2	123.2	120.9	117.7	117.4	120.6	124.2	119.1
Gross revenue (\$/bbl) ⁽⁶⁾	5.42	46.00	44.41	27.77	41.88	38.14	37.46	35.20	30.17	38.20
Royalties (\$/bbl)	0.56	3.33	2.73	1.95	1.81	1.99	2.43	2.10	2.09	2.08
Production and operating costs (\$/bbl) ⁽⁶⁾	11.09	12.04	11.10	11.54	9.83	10.54	12.94	11.83	11.43	11.27
Operating netback (\$/bbl)	(6.23)	30.63	30.58	14.28	30.24	25.61	22.09	21.27	16.65	24.85

Operating Netback Analysis (continued)	Three months ended								Year ended	
	Dec. 31 2018	Sept. 30 2018	Jun. 30 2018	Mar. 31 2018	Dec. 31 2017	Sept. 30 2017	Jun. 30 2017	Mar. 31 2017	Dec. 31 2018	Dec. 31 2017
Non - Thermal Development										
Medium Oil										
Sales volumes (mbbls/day)	1.9	1.9	1.8	1.9	2.1	2.1	2.0	2.2	1.9	2.1
Gross revenue (\$/bbl) ⁽⁶⁾	20.63	56.75	56.89	41.54	51.91	46.68	47.88	46.69	43.91	48.30
Royalties (\$/bbl)	1.59	2.70	3.06	1.87	2.57	2.46	1.61	2.93	2.31	2.41
Heavy Oil										
Sales volumes (mbbls/day)	34.4	34.6	38.5	39.7	41.9	43.7	42.0	46.4	36.8	43.5
Gross revenue (\$/bbl) ⁽⁶⁾	18.71	50.09	54.22	32.80	48.66	41.99	42.05	41.19	39.25	43.41
Royalties (\$/bbl)	1.32	5.70	5.49	2.89	5.34	4.27	4.48	3.66	3.86	4.42
Natural Gas										
Sales volumes (mmcf/day)	17.9	19.2	20.7	20.6	24.0	24.7	25.5	24.1	19.6	24.6
Gross revenue (\$/mcf) ⁽⁶⁾	2.14	1.00	1.15	2.37	1.68	1.43	2.60	2.38	1.66	2.02
Royalties (\$/mcf)	0.04	(0.03)	0.10	0.16	0.07	0.06	0.16	0.16	0.07	0.11
Non - Thermal Development Medium Oil, Heavy Oil & Natural Gas Total ⁽²⁾										
Sales volumes (mboe/day)	39.3	39.7	43.8	45.0	48.0	49.9	48.3	52.6	42.0	49.7
Gross revenue (\$/boe) ⁽⁶⁾	18.15	46.93	50.65	31.80	45.59	39.43	39.96	39.37	37.18	41.04
Royalties (\$/boe)	1.26	5.09	5.00	2.69	4.81	3.86	4.04	3.44	3.53	4.03
Production and operating costs (\$/boe) ⁽⁶⁾	28.69	28.56	24.82	24.98	21.42	23.11	23.22	21.13	26.67	22.21
Operating netback (\$/boe)	(11.80)	13.28	20.83	4.13	19.36	12.46	12.70	14.80	6.98	14.80
Western Canada										
Crude Oil										
Light Oil and Medium										
Sales volumes (mbbls/day)	7.7	8.0	7.2	7.2	8.9	9.0	9.8	12.3	7.5	10.0
Gross revenue (\$/bbl) ⁽⁶⁾	31.75	71.57	73.77	58.59	60.64	48.22	51.84	55.96	58.70	54.13
Royalties (\$/bbl)	6.10	15.25	10.33	9.76	8.22	6.07	7.30	6.46	10.42	6.97
Heavy Oil										
Sales volumes (mbbls/day)	—	—	—	—	0.4	0.4	1.1	1.6	—	0.9
Gross revenue (\$/bbl) ⁽⁶⁾	—	—	—	—	46.73	31.70	42.60	43.69	—	42.14
Royalties (\$/bbl)	—	—	—	—	17.97	4.49	0.84	4.71	—	4.86
Western Canada Crude Oil Total										
Sales volumes (mboe/day)	7.7	8.0	7.2	7.2	9.3	9.4	10.9	13.9	7.5	10.9
Gross revenue (\$/bbl) ⁽⁶⁾	31.75	71.57	73.77	58.59	60.08	47.42	50.89	54.53	58.70	53.15
Royalties (\$/bbl)	6.10	15.25	10.33	9.76	8.62	5.99	6.64	6.26	10.42	6.80
Production and operating costs (\$/bbl) ⁽⁶⁾	27.35	32.51	34.07	30.95	38.47	37.79	32.22	29.09	31.17	33.69
Operating netback (\$/bbl)	(1.70)	23.81	29.37	17.88	12.99	3.64	12.03	19.18	17.11	12.66
Natural Gas & NGLs										
Natural Gas Liquids										
Sales volumes (mbbls/day)	12.7	11.9	12.3	11.3	11.7	11.4	10.8	8.0	12.0	10.5
Gross revenue (\$/bbl) ⁽⁶⁾	31.65	36.37	36.54	38.76	35.22	26.58	27.76	41.28	35.71	32.08
Royalties (\$/bbl)	7.13	8.43	10.83	12.26	11.04	9.09	8.76	12.35	9.58	10.16
Natural Gas										
Sales volumes (mmcf/day)	284.7	278.4	264.3	258.1	317.8	354.8	356.7	385.7	271.4	353.6
Gross revenue (\$/mcf) ⁽⁴⁾⁽⁶⁾	1.92	1.41	1.52	2.39	1.84	1.64	2.88	2.79	1.80	2.31
Royalties (\$/mcf) ⁽⁴⁾⁽⁵⁾	(0.06)	(0.09)	(0.19)	(0.17)	(0.12)	(0.31)	(0.08)	(0.01)	(0.13)	(0.12)
Western Canada Natural Gas & NGLs Total ⁽²⁾										
Sales volumes (mmcfe/day)	360.9	349.8	338.1	325.9	387.9	423.2	421.5	433.7	343.4	416.6
Gross revenue (\$/mcf) ⁽⁶⁾	2.63	2.36	2.51	3.23	2.57	2.09	3.15	3.24	2.67	2.77
Royalties (\$/mcf)	0.20	0.21	0.24	0.28	0.24	(0.01)	0.16	0.22	0.23	0.15
Production and operating costs (\$/mcf) ⁽⁶⁾	1.30	1.86	1.88	1.62	2.18	1.98	1.98	1.97	1.66	2.02
Operating netback (\$/mcf)	1.13	0.29	0.39	1.33	0.15	0.12	1.01	1.05	0.78	0.60

Operating Netback Analysis (continued)	Three months ended								Year ended	
	Dec. 31 2018	Sept. 30 2018	Jun. 30 2018	Mar. 31 2018	Dec. 31 2017	Sept. 30 2017	Jun. 30 2017	Mar. 31 2017	Dec. 31 2018	Dec. 31 2017
Atlantic										
Light Oil										
Sales volumes (mbbls/day)	13.0	23.8	20.7	28.4	33.0	25.7	38.0	39.6	21.4	34.0
Gross revenue (\$/bbl)	83.41	104.08	101.67	90.70	82.12	67.82	66.36	70.53	95.97	71.69
Royalties (\$/bbl)	7.35	7.89	10.92	5.94	5.71	4.09	6.27	9.86	7.90	6.75
Production and operating costs (\$/bbl)	47.76	25.22	29.65	17.51	15.36	24.98	15.82	14.64	27.21	17.12
Offshore transportation (\$/bbl) ⁽³⁾	5.11	2.77	3.31	2.02	2.05	2.89	2.19	1.64	3.01	2.13
Operating netback (\$/bbl)	23.19	68.20	57.79	65.23	59.00	35.86	42.08	44.39	57.85	45.69
Asia Pacific - China										
Light Oil										
Sales volumes (mbbls/day)	—	—	—	—	2.6	5.9	6.2	6.6	—	5.3
Gross revenue (\$/bbl)	—	—	—	—	89.37	71.09	67.44	70.45	—	72.08
Royalties (\$/bbl)	—	—	—	—	6.44	5.06	4.80	4.79	—	5.08
NGLs										
Sales volumes (mbbls/day)	9.3	8.4	7.7	8.2	7.4	7.9	6.4	6.2	8.4	7.0
Gross revenue (\$/bbl)	69.76	76.13	71.88	73.60	67.83	54.39	55.21	60.33	72.77	59.50
Royalties (\$/bbl)	4.03	4.28	4.42	4.14	3.82	3.08	3.11	3.48	4.21	3.38
Natural Gas										
Sales volumes (mmcf/day)	197.0	181.9	180.3	179.7	176.5	168.6	132.6	133.3	184.8	152.9
Gross revenue (\$/mcf)	13.85	13.14	13.96	13.95	13.40	13.05	13.44	13.31	13.73	13.29
Royalties (\$/mcf)	0.86	0.76	0.82	0.74	0.82	0.70	0.71	0.71	0.80	0.74
Asia Pacific - China Light Oil, NGLs & Natural Gas Total ⁽²⁾										
Sales volumes (mboe/day)	42.1	38.7	37.8	38.2	39.4	41.9	34.7	35.0	39.2	37.8
Gross revenue (\$/boe)	80.16	78.27	81.34	81.56	78.64	72.82	73.61	74.59	80.31	74.94
Royalties (\$/boe)	4.92	4.53	4.81	4.38	4.84	4.11	4.15	4.20	4.67	4.33
Production and operating costs (\$/boe)	3.95	4.86	5.36	4.28	6.04	6.19	7.56	5.96	4.59	6.16
Operating netback (\$/boe)	71.29	68.88	71.17	72.90	67.76	62.52	61.90	64.43	71.05	64.45
Asia Pacific - Indonesia⁽²⁾										
NGLs										
Sales volumes (mbbls/day)	2.8	4.2	1.8	1.0	2.3	—	—	—	2.5	0.6
Gross revenue (\$/bbl)	96.83	95.61	98.37	87.53	77.79	—	—	—	95.67	77.79
Royalties (\$/bbl)	15.15	15.03	15.16	13.72	12.32	—	—	—	14.96	12.32
Natural Gas										
Sales volumes (mmcf/day)	38.0	40.0	28.7	18.6	16.6	15.3	—	—	31.2	8.0
Gross revenue (\$/mcf)	9.76	9.79	9.82	9.85	9.62	9.39	—	—	9.81	9.51
Royalties (\$/mcf)	1.09	1.07	1.07	1.02	1.04	1.02	—	—	1.07	1.03
Asia Pacific - Indonesia NGLs & Natural Gas Total ⁽²⁾										
Sales volumes (mboe/day)	9.1	10.9	6.5	4.1	5.1	2.6	—	—	7.7	1.9
Gross revenue (\$/boe)	70.39	72.92	69.53	65.95	67.00	56.31	—	—	70.60	63.46
Royalties (\$/boe)	9.20	9.74	8.75	7.99	9.05	6.10	—	—	9.15	8.08
Production and operating costs (\$/boe)	10.65	9.95	8.20	11.86	11.39	15.04	—	—	10.04	12.59
Operating netback (\$/boe)	50.54	53.23	52.58	46.10	46.56	35.17	—	—	51.41	42.79

Operating Netback Analysis (continued)	Three months ended								Year ended	
	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Dec. 31
	2018	2018	2018	2018	2017	2017	2017	2017	2018	2017
Asia Pacific - Total⁽¹⁾										
Light Oil										
Sales volumes (mmbbls/day)	—	—	—	—	2.6	5.9	6.2	6.6	—	5.3
Gross revenue (\$/bbl)	—	—	—	—	89.37	71.09	67.44	70.45	—	72.08
Royalties (\$/bbl)	—	—	—	—	6.44	5.06	4.80	4.79	—	5.08
NGLs										
Sales volumes (mmbbls/day)	12.1	12.6	9.5	9.2	9.8	7.9	6.4	6.2	10.9	7.6
Gross revenue (\$/bbl)	76.09	82.60	76.81	75.09	70.25	54.39	55.21	60.33	77.94	60.94
Royalties (\$/bbl)	6.62	7.85	6.42	5.17	5.88	3.08	3.11	3.48	6.64	4.08
Natural Gas										
Sales volumes (mmcf/day)	235.0	221.9	209.0	198.3	193.1	183.9	132.6	133.3	216.0	160.9
Gross revenue (\$/mcf)	13.19	12.54	13.39	13.57	13.08	12.74	13.44	13.31	13.16	13.10
Royalties (\$/mcf)	0.90	0.82	0.85	0.77	0.85	0.72	0.71	0.71	0.84	0.76
Asia Pacific - Light Oil, NGLs & Natural Gas Total ⁽²⁾										
Sales volumes (mboe/day)	51.2	49.6	44.3	42.3	44.6	44.4	34.7	35.0	46.9	39.7
Gross revenue (\$/boe)	78.41	77.10	79.59	80.05	77.29	71.88	73.61	74.59	78.72	74.38
Royalties (\$/boe)	5.68	5.67	5.38	4.72	5.33	4.24	4.15	4.20	5.40	4.52
Production and operating costs (\$/boe)	5.31	5.98	5.77	5.02	6.65	5.83	7.56	5.96	5.53	6.47
Operating netback (\$/boe)	67.42	65.45	68.44	70.31	65.31	61.81	61.90	64.43	67.79	63.39

⁽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 and mcf.

⁽³⁾ Includes offshore transportation costs shown separately from price received.

⁽⁴⁾ Includes sulphur sales revenues/royalties.

⁽⁵⁾ Alberta Gas Cost Allowance reported exclusively as gas royalties.

⁽⁶⁾ Transportation expenses for Western Canada, Non-Thermal Development and Thermal Development has been deducted from both gross revenue and production and operating costs to reflect the actual price received at the oil and gas lease.

⁽⁷⁾ Reported production volumes and associated per unit values include Husky's net working interest production from the Madura-BD Gas Project (40 percent). Revenues and expenses related to the Husky-CNOOC Madura Ltd. joint venture are accounted for under the equity method for financial statement purposes.

3. Supplemental Downstream Operating Statistics

Upgrading, Refining and Marketing Selected Operating Data	Three months ended								Year ended	
	Dec. 31 2018	Sept. 30 2018	Jun. 30 2018	Mar. 31 2018	Dec. 31 2017	Sept. 30 2017	Jun. 30 2017	Mar. 31 2017	Dec. 31 2018	Dec. 31 2017
Upgrading										
Upgrader throughput (mbbls/day) ⁽¹⁾	71.8	77.2	72.5	81.0	78.2	76.7	41.1	77.9	75.6	68.5
Total sales (mbbls/day)	73.5	76.7	69.1	79.4	77.9	79.4	40.3	76.2	74.7	68.5
Synthetic crude oil sales (mbbls/day)	53.8	54.9	47.1	56.0	56.5	58.2	30.3	54.1	52.9	49.8
Upgrading differential (\$/bbl)	27.89	29.46	26.67	32.31	21.46	13.60	18.70	20.88	29.05	18.66
Unit margin (\$/bbl)	29.13	29.19	30.69	31.63	20.65	12.32	22.63	19.83	30.15	18.28
Unit operating cost (\$/bbl) ⁽²⁾	7.72	7.32	6.97	6.31	6.81	6.38	14.44	6.99	7.07	7.88
Canadian Refined Products										
Prince George Refinery throughput (mbbls/day) ⁽³⁾	10.7	11.5	8.8	12.0	11.3	11.9	9.7	11.8	10.7	11.2
Lloydminster Refinery throughput (mbbls/day) ⁽³⁾	25.3	27.8	26.8	28.7	30.1	30.0	19.5	28.0	27.1	26.8
Ethanol production (thousands of litres/day)	874.4	772.3	799.6	831.5	823.7	845.9	709.9	839.6	819.4	804.8
Number of fuel outlets ⁽⁴⁾	555	558	558	558	558	557	476	480	557	518
Fuel sales volume (millions of litres/day)	8.0	7.7	7.5	7.4	8.0	8.1	6.5	6.4	7.7	7.3
Fuel sales per retail outlet (thousands of litres/day)	12.7	12.4	12.1	11.9	12.6	12.4	11.8	11.5	12.3	12.1
U.S. Refining and Marketing										
Lima Refinery throughput (mbbls/day) ⁽³⁾	105.9	163.3	171.2	164.4	164.5	178.3	174.1	172.0	151.1	172.2
BP-Husky Toledo Refinery throughput (mbbls/day) ⁽³⁾⁽⁵⁾	73.2	70.8	65.5	75.0	81.0	77.3	71.1	77.0	71.1	76.6
Superior Refinery throughput (mbbls/day) ⁽³⁾⁽⁶⁾	—	—	10.1	37.0	22.0	—	—	—	11.7	5.5
Refining and marketing margin (U.S. \$/bbl crude throughput) ⁽⁷⁾	9.12	17.52	16.66	8.51	14.89	14.98	8.27	7.08	13.03	11.44
Refinery inventory (mmbbls) ⁽⁸⁾	6.9	9.5	9.3	9.7	9.2	8.4	8.4	8.6	6.9	9.2

⁽¹⁾ Upgrader throughput includes diluent returned to the field.

⁽²⁾ Based on throughput.

⁽³⁾ Includes all crude oil, feedstock, intermediate feedstock and blend-stocks used in producing sales volumes from the refinery.

⁽⁴⁾ Average number of fuel outlets for period indicated.

⁽⁵⁾ Reported throughput volumes include Husky's working interest from the BP-Husky Toledo Refinery (50 percent).

⁽⁶⁾ Superior Refinery was acquired in November 2017.

⁽⁷⁾ Prior periods have been restated to include impact of U.S. product marketing margin.

⁽⁸⁾ Feedstock and refined products are included in refinery inventory.

4. Common Share Information

	Three months ended							
	Dec. 31 2018	Sept. 30 2018	Jun. 30 2018	Mar. 31 2018	Dec. 31 2017	Sept. 30 2017	Jun. 30 2017	Mar. 31 2017
Number of common shares outstanding, except where indicated (millions)								
Period end	1,005.1	1,005.1	1,005.1	1,005.1	1,005.1	1,005.1	1,005.5	1,005.5
Weighted average – basic	1,005.1	1,005.1	1,005.1	1,005.1	1,005.1	1,005.2	1,005.5	1,005.5
Weighted average – diluted	1,005.5	1,007.4	1,006.2	1,005.5	1,005.1	1,005.2	1,005.5	1,005.5
Share price – HSE: TSX (\$/share)								
High	21.49	22.99	21.02	19.24	17.83	15.78	16.61	17.42
Low	13.33	19.85	17.31	16.05	15.09	13.39	14.71	14.94
Close	14.11	22.68	20.49	18.44	17.75	15.62	14.72	15.01
Ordinary quarterly dividend per common share	0.125	0.125	0.125	0.075	0.075	—	—	—

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 measures primarily based on IFRS and also on secondary non-GAAP measures. The non-GAAP measures included in this Interim Supplemental Information are: debt to capital employed, funds from operations, operating netback and total debt. None of these measures are used to enhance the Company's reported financial performance or position. These are useful complementary measures in assessing Husky's financial performance, efficiency and liquidity. With the exception of funds from operations, there are no comparable measures in accordance with IFRS. The non-GAAP measures 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 total debt divided by capital employed. Capital employed is equal to total 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 management and investors to evaluate the specific operating performance by product at the oil and gas lease level. Operating netback is calculated as gross revenue less royalties, production and operating and transportation costs on a per unit basis.

This Interim Supplemental Information contains the term "funds 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. Funds from operations equals cash flow – operating activities plus change in non-cash working capital. Management believes that impacts of non-cash working capital items on cash flow – operating activities may reduce comparability between periods, accordingly, funds from operations is presented in Husky's financial reports to assist management and investors in analyzing operating performance of Husky in the stated period compared to prior periods.

Funds from operations was restated in the second quarter of 2017 in order to be more comparable to similar non-GAAP measures presented by other companies. Changes from prior period presentation include the removal of adjustments for settlement of asset retirement obligations and deferred revenue. Prior periods have been restated to conform to current presentation.

The following table shows the reconciliation of net earnings (loss) to funds from operations and related per share amounts for the periods ended:

Funds from Operations

	Three months ended							
	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31
(\$ millions)	2018	2018	2018	2018	2017	2017	2017	2017
Net earnings (loss)	216	545	448	248	672	136	(93)	71
Items not affecting cash:								
Accretion	25	23	25	24	28	27	29	28
Depletion, depreciation, amortization and impairment	662	672	639	618	647	673	862	700
Inventory write-down to net realizable value	60	—	—	—	—	—	—	—
Exploration and evaluation expenses	22	—	7	—	—	1	4	1
Deferred income taxes (recoveries)	25	156	138	77	(360)	52	(57)	6
Foreign exchange loss (gain)	1	(6)	(2)	1	1	(3)	15	(17)
Stock-based compensation	(50)	40	33	21	25	11	8	1
Loss (gain) on sale of assets	—	—	—	(4)	(13)	(2)	(33)	2
Unrealized mark to market loss (gain)	(16)	(22)	(26)	(86)	57	31	18	(50)
Share of equity investment gain	(16)	(18)	(26)	(9)	(1)	(12)	(23)	(25)
Gain on insurance recoveries for damage to property	(253)	—	—	—	—	—	—	—
Other	2	(2)	19	2	8	9	5	(6)
Settlement of asset retirement obligations	(65)	(45)	(22)	(49)	(45)	(23)	(20)	(48)
Deferred revenue	(30)	(25)	(25)	(20)	(5)	(9)	—	(2)
Distribution from joint ventures	—	—	—	72	—	—	—	25
Change in non-cash working capital	730	(35)	(199)	(366)	337	3	98	(40)
Cash flow - operating activities	1,313	1,283	1,009	529	1,351	894	813	646
Change in non-cash working capital	(730)	35	199	366	(337)	(3)	(98)	40
Funds from operations	583	1,318	1,208	895	1,014	891	715	686
Funds from operations – basic	0.58	1.31	1.20	0.89	1.01	0.89	0.71	0.68
Funds from operations – diluted	0.58	1.31	1.20	0.89	1.01	0.89	0.71	0.68

Total debt is a non-GAAP measure that is calculated as long-term debt, long-term debt due within one year and short-term debt. Management believes this measurement assists management and investors in evaluating the Company's financial strength. The following table shows the reconciliation of total debt for the periods ended:

	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31
(\$ millions)	2018	2018	2018	2018	2017	2017	2017	2017
Short-term debt	200	200	200	200	200	200	200	200
Long-term debt due within one year	1,433	388	394	—	—	—	390	400
Long-term debt	4,114	4,964	5,015	5,343	5,240	5,236	5,362	5,453
Total debt	5,747	5,552	5,609	5,543	5,440	5,436	5,952	6,053