

Barclays Capital – Investment Grade Energy and Pipeline Conference

***Darren Andruko, Treasurer
March 9, 2011***



 **Husky Energy**

Advisories

Forward Looking Statements

Certain statements in this presentation are forward looking statements or information within the meaning of applicable securities legislation (collectively “forward-looking statements”). 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,” “intend,” “plan,” “projection,” “could,” “vision,” “goals,” “objective,” “target,” “schedules” and “outlook”) are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks, uncertainties and other factors some of which are beyond the Company’s control and difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.



In particular, forward-looking statements in this presentation include, but are not limited to: the Company’s general strategic plans and anticipated outcomes of the Company’s strategic plans; its short, medium, and long-term growth strategies and opportunities; 2011 capital expenditure plans; plans to offer dividend payments in shares or cash; expected timing of development and production at Sunrise and in SE Asia; production growth and reserve replacement targets and expectations; reserve life spans assuming current production levels; anticipated return on capital employed; expected financial strategy and financial capacity to execute growth strategy; potential sources of funding; potential divestitures, farmouts and joint ventures; 2011 capital and production guidance; the Company’s ability to maintain credit ratings and manage debt maturities; development plans at the Company’s key projects and in other areas; project milestones for key projects; five-year production outlook; oil and gas reserves and resources of the Company; infill and EOR/IOR opportunities at White Rose/ timing of development plan application at North Amethyst; seismic and exploration drilling plans at Block 63/05 and North Sumbawa; anticipated timing of production at Pikes Peak, West White Rose and North Amethyst; anticipated production at White Rose; exploration opportunities on the North American East Coast and in Southeast Asia; and anticipated product mix.

Although the Company believes that the expectations reflected by the forward-looking statements in this presentation are reasonable, the Company’s forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to the Company about itself and the businesses in which it operates. In addition, information used in developing forward-looking statements has been acquired from various sources including third party consultants, suppliers, regulators and other sources.

The Company’s Annual Information Form and other documents filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com and the EDGAR website www.sec.gov) describes the risks, material assumptions and other factors that could influence actual results and are incorporated herein by reference.

Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Disclosure of Proved Oil and Gas Reserves and Other Oil and Gas Information

The Company’s disclosure of oil and gas reserves and other information about its oil and gas activities has been made based in reliance on an exemption granted by Canadian Securities Administrators. The exemption permits the Company to make certain of its disclosures in accordance with U.S. requirements relating to the disclosure of oil and gas reserves and other information. These requirements and, consequently, the information presented may differ from Canadian requirements under National Instrument 51-101, “Standards of Disclosure for Oil and Gas Activities.” The reserves estimates and related disclosures presented in this document have been prepared in accordance with the definitions in Regulation S-X and the disclosure requirements in Regulation S-K prescribed by the United States Securities and Exchange Commission (“SEC”). Please refer to “Disclosure of Exemption under National Instrument 51-101” in the Annual Information Form for the year ended December 31, 2009 filed with securities regulatory authorities for further information.

Advisories



The Company has disclosed possible reserves in this presentation. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the quantities actually recovered will exceed the sum of the proved plus probable plus possible reserves. There is at least a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

The Company has disclosed contingent resources in this presentation. Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. There is no certainty that it will be commercially viable to produce any portion of the contingent resources.

The Company has disclosed prospective resources in this presentation. Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

3P reserves are disclosed in this presentation on slide 11. This represents the following split for 3P reserves: Western Canada Oil – Proved reserves = 343 MMboe, Probable reserves = 91 MMboe, Possible reserves = 58 MMboe; Western Canada Gas – Proved reserves = 288 MMboe, Probable reserves = 57 MMboe, Possible reserves = 2 MMboe; Bitumen = Proved reserves = 200 MMboe, Probable reserves = 1,094 MMboe, Possible = 1,079 MMboe; East Coast Oil – Proved reserves = 93 MMboe, Probable reserves = 74 MMboe, Possible = 167 MMboe; East Coast Gas – Proved reserves = 0 MMboe, Probable = 0 MMboe, Possible = 278 MMboe.

3P reserves and contingent resources for oilsands are disclosed in this presentation (slide 19). This represents the following split for 3P reserves: Sunrise - Proved reserves = 63.74 MMbbl, Probable reserves = 947.76 MMbbl, Possible reserves = 842.5; Tucker – Proved reserves = 68.25 MMbbl, Probable reserves = 102.68 MMbbl, Possible reserves = 180.26 MMbbl.

In this presentation on slide 15 and 19, additional drilling will be required to delineate the resources and advance development plans to allow booking of contingent resources and/or reserves in the future.

The Company has disclosed discovered petroleum initially-in-place in this presentation. Discovered petroleum initially-in-place is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially-in-place includes production, reserves and contingent resources; the remainder is unrecoverable. A recovery project cannot be defined for these volumes of discovered petroleum initially-in-place at this time. There is no certainty that it will be commercially viable to produce any portion of the resources.

The Company has disclosed its total reserves in Canada in its 2009 Annual Information Form dated February 24, 2010 which reserves disclosure is incorporated by reference herein. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

The Company uses the terms barrels of oil equivalent (“boe”) and thousand cubic feet of gas equivalent (“mcfge”), which are 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 terms boe and mcfge 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.

The SEC permits U.S. oil and gas companies, in their filings with the SEC, to separately disclose proved, probable and possible reserves that have been determined in accordance with SEC rules. Husky uses certain terms in this document, such as “discovered petroleum initially-in-place”, “contingent resources” and “resources” that the SEC’s guidelines strictly prohibit in filings with the SEC by U.S. oil and gas companies.

All currency is expressed in Canadian dollars unless otherwise noted.



- **Corporate and Financial Strategy**

- **Regenerating the Foundation**

- **Pillars of Growth**

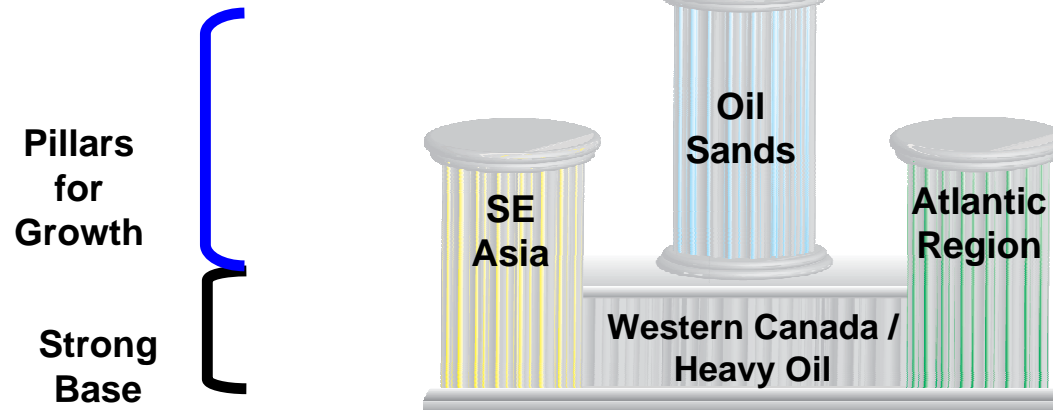
The Course is Set



- **Reprioritization of capital**
 - Accelerate projects to deliver near-term production growth
 - Ensure returns are in excess of our cost of capital
 - Focus investment in Western Canada
- **Advancing mid-term and long-term growth pillars**
 - Atlantic Region – North Amethyst tied in and producing / pilot at West White Rose
 - SE Asia – received 20 year Madura PSC extension / progress Liwan towards development
 - Oil Sands – sanctioned Sunrise Energy Project
- **Funding the growth**
 - \$1 billion equity issuance closed December 2010
 - \$4.86 billion capital expenditure program for 2011
 - Allow shareholders to receive dividend in stock or cash
 - Value acceleration

Strong foundation for growth

What is the Strategy



	Near-Term 0 – 2 Years	Mid-Term 3 – 5 Years	Long-Term 5+ Years
Upstream	Acquisitions	Oil Sands SE Asia	Oil Sands Atlantic Region
	Maintain production from Canada base		
	Value acceleration		
Midstream / Downstream	Support heavy oil and oil sands production Prudent reinvestment		

A sound portfolio management plan

Business Plan Overview



- Based on realistic achievable actions
 - Combination of organic development, acquisitions and value acceleration
 - Key near and mid-term projects on track
 - Continued development of long-term projects
- Plan outcomes
 - Annual compound production growth target of 3 – 5%
 - Annual reserve replacement target greater than 140%
 - Increase ROCE by ~ 5 percentage points over 5 years
 - Retain investment grade ratings

Explicit focus on financial discipline and return on capital

Financial Strategy



- Ensure adequate liquidity and financial flexibility to fund growth
 - Availability of term committed credit facilities (*\$2.9 billion*)
 - Continuous and cost-effective access to capital markets
 - US \$3 billion debt shelf (*expires March 2011*)
 - \$3 billion universal shelf (*expires December 2012*)
- Retain investment grade credit ratings
 - S&P BBB+ (*Stable*) / Moody's Baa2 (*Negative*) / DBRS A (low) (*Stable*)
 - Target Debt-to-Capital of 25 - 35%
 - Target Debt-to-Cash Flow of 1.5 - 2.5x
- Strong principal shareholder support

Key Metrics include:

- Return on capital employed
- Production
- Reserves replacement
- Netbacks / F&D / Operating Costs
- Cash flow
- Balance sheet
(*debt-to-cash flow and debt-to-capital*)

Financial capacity to execute growth strategy

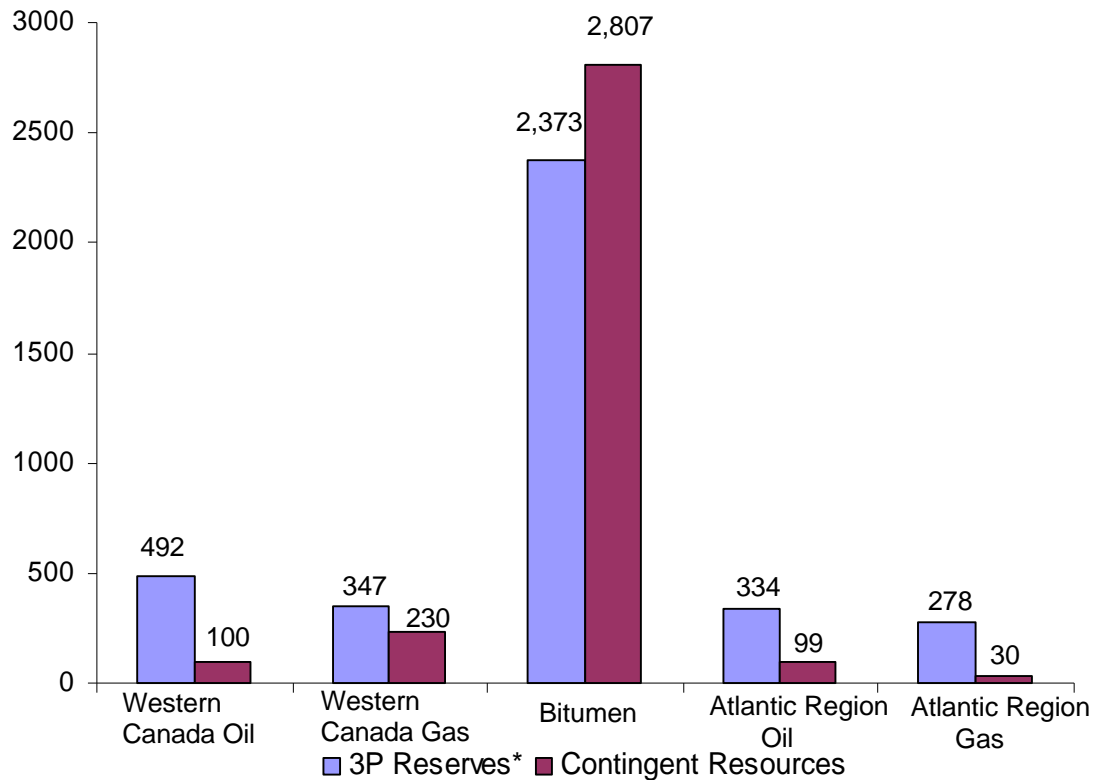


Financing Sources

- Common equity
 - \$1 billion common equity issuance closed December 2010
 - Dividend payment by shares or cash (*shareholder option*)
 - Principal shareholders (71%) support:
 - Subscribed for pro-rata share of December common equity issuance
 - Agreement to take stock dividends from Q1 2011 to end of 2012 as required to support current investment grade profile
- Hybrid capital
 - Preferred shares and perpetual capital securities
- Non-core asset sales
 - Assets that do not affect production or reserves or strategically support upstream
- Joint ventures/farm outs
 - Accelerate project development, production and value

Access to a variety of financing options to deliver growth plan

Value Acceleration - Large Underexploited Resource



- Significant resource base
 - 65 years of production at 2010 rates
- Potential to create value by accelerating development
 - Inactive non-producing assets
 - Accelerates production, operating earnings
 - Provides cash flow for further reinvestment

3.8 billion barrels of 3P reserves* + 3.2 billion of contingent resources

Reserves as of December 31, 2009

Contingent Resource as of November 1, 2010 (excludes SE Asia and Saleski)

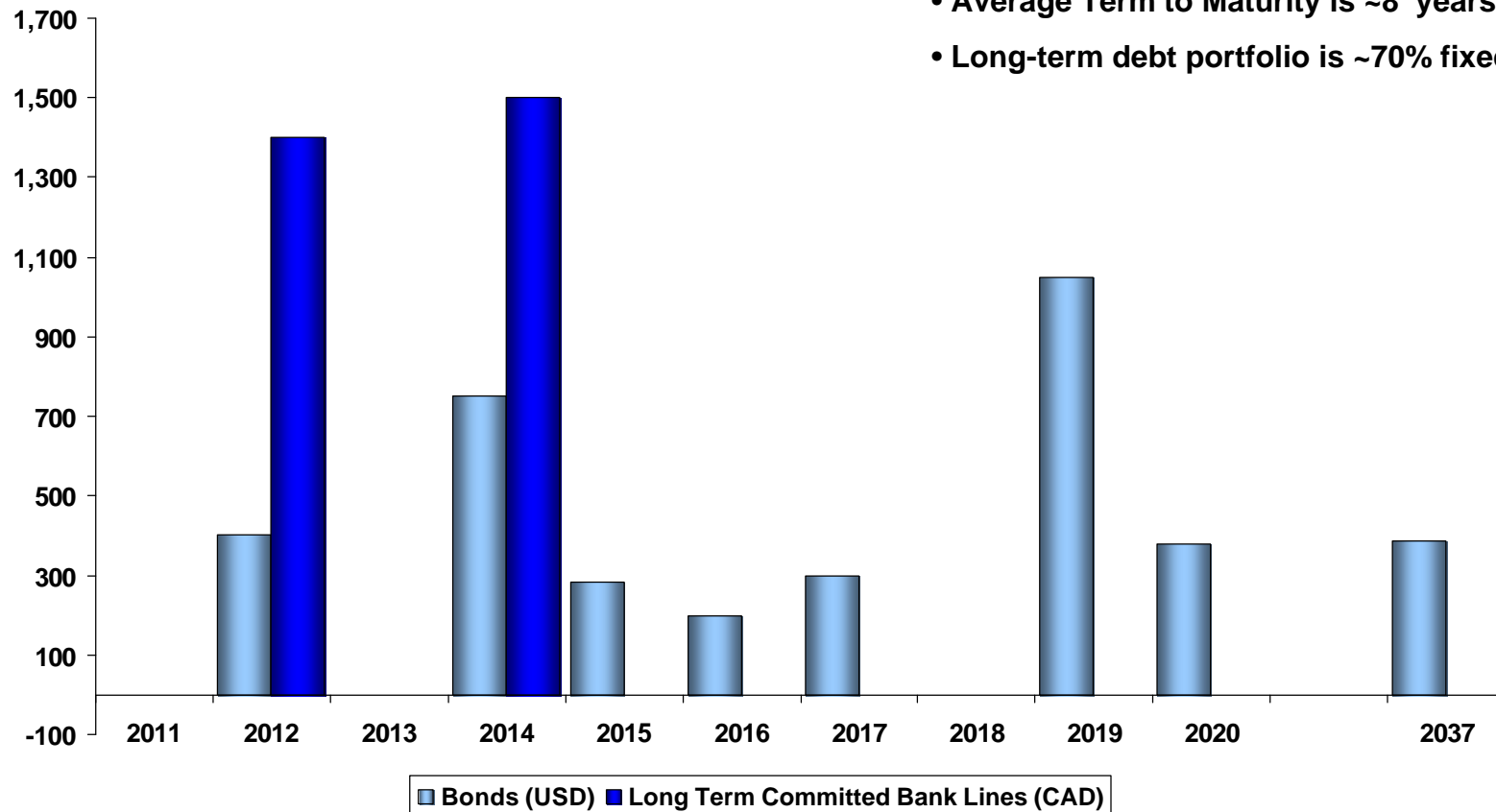
* See advisory for breakdown of reserves

Leverage asset base through joint ventures to accelerate production and value

Debt Maturity Profile



(Millions \$)



Debt maturities are manageable

Funding the Growth



- Capital investments to drive future growth
- Husky has the financial capacity to support plans
 - Continuous and cost effective access to capital
 - Liquidity in place
 - Manageable debt maturities
- Retain investment grade credit ratings
- Strong principal shareholder support

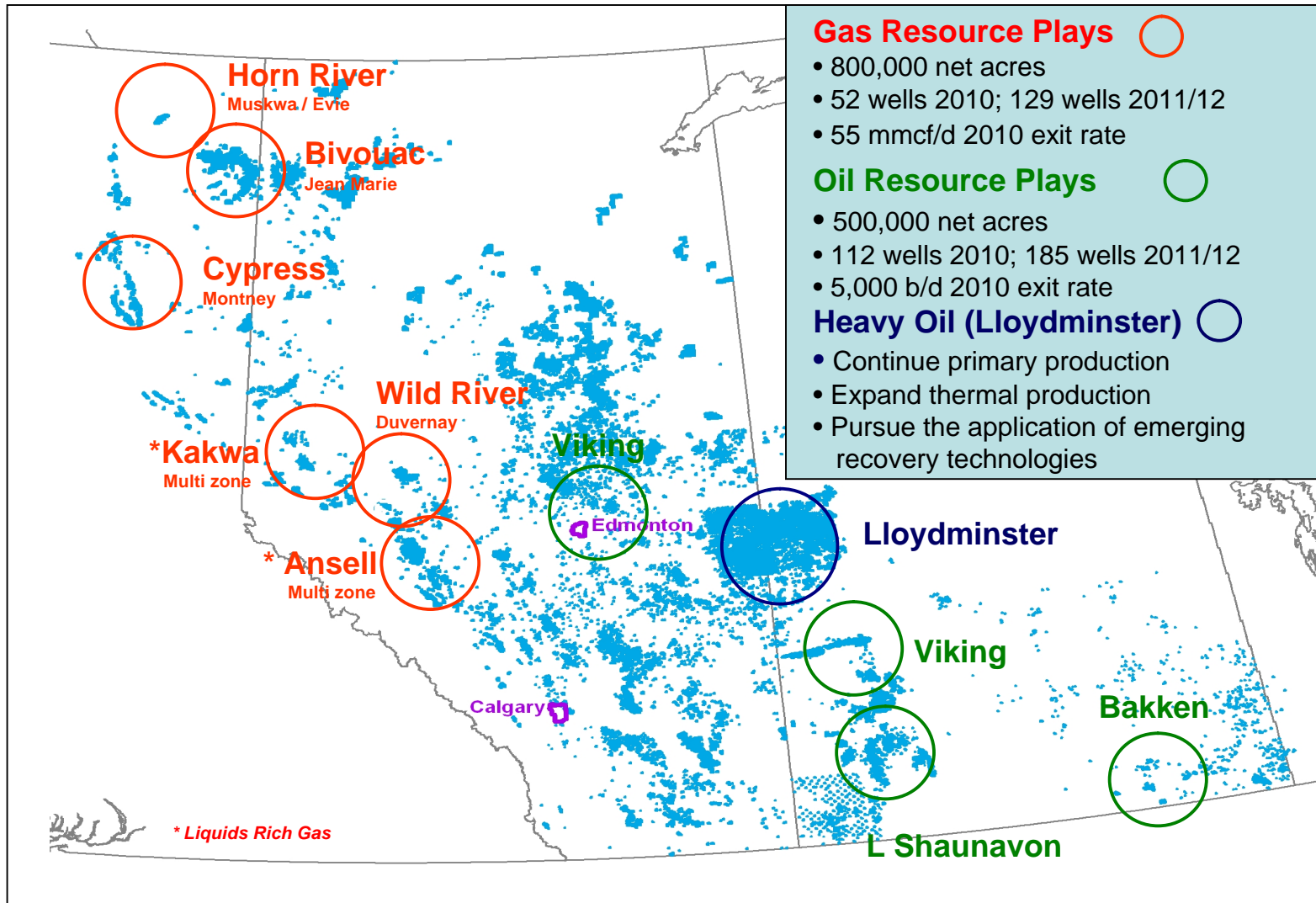


- **Corporate and Financial Strategy**

- **Regenerating the Foundation**

- **Pillars of Growth**

Significant Position in Resource Plays

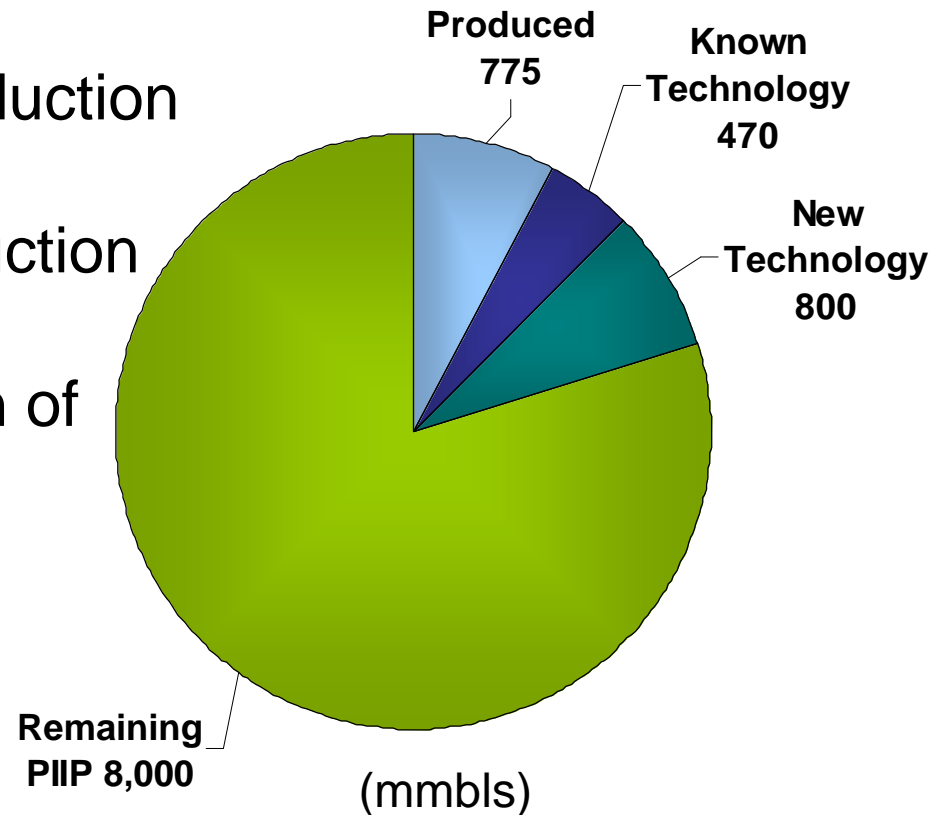


Large land base supports scale, flexibility and diversification

Heavy Oil – the Original Resource Play



- Continue primary production
- Expand thermal production
- Pursue the application of emerging recovery technologies



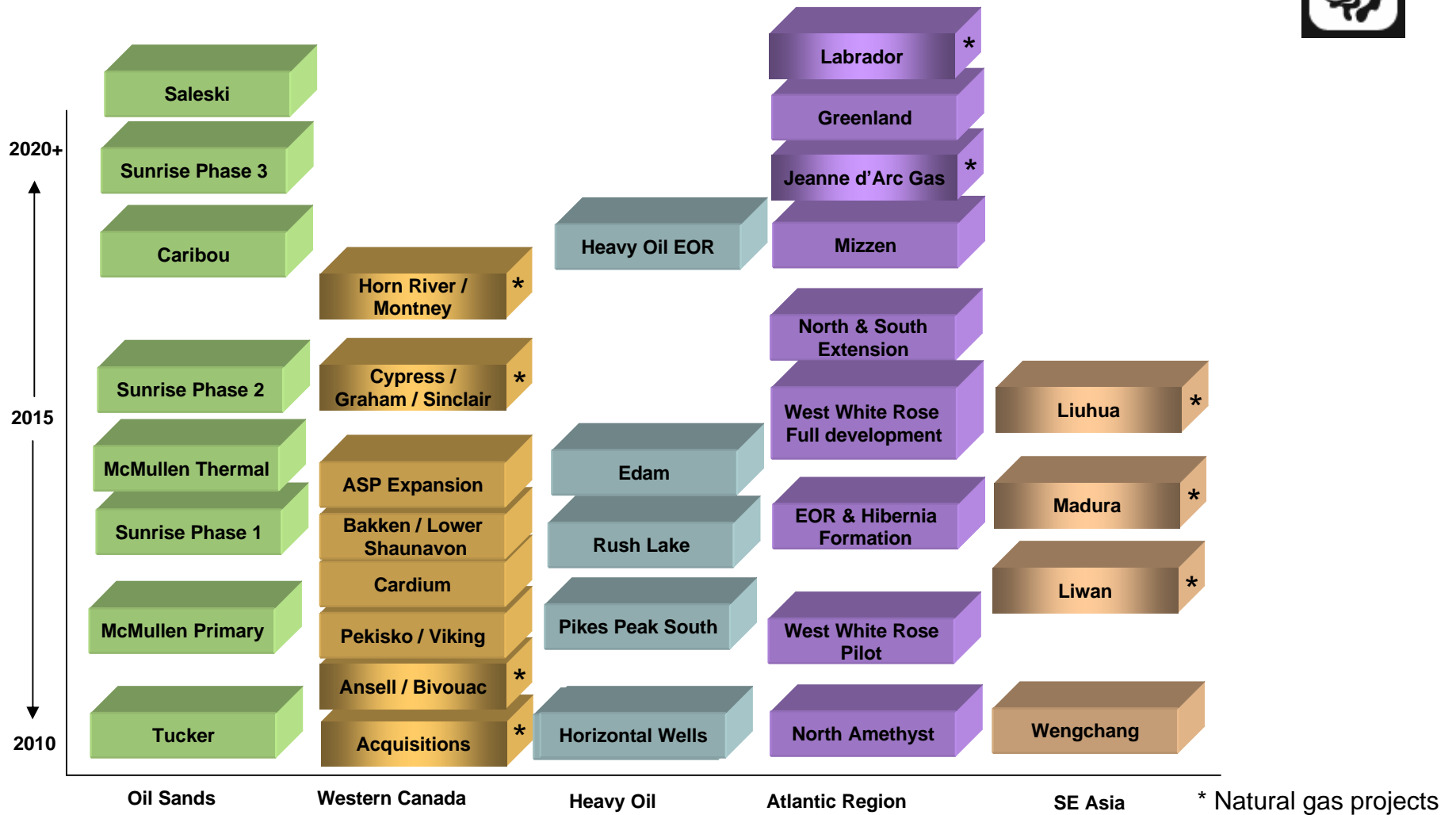
Source: National Energy Board of Canada, Husky estimates / represents discovered PIIP / as of December 31, 2009

Application of new technology to develop resource



- **Corporate and Financial Strategy**
- **Regenerating the Foundation**
- **Pillars of Growth**

Pipeline of Growth Projects

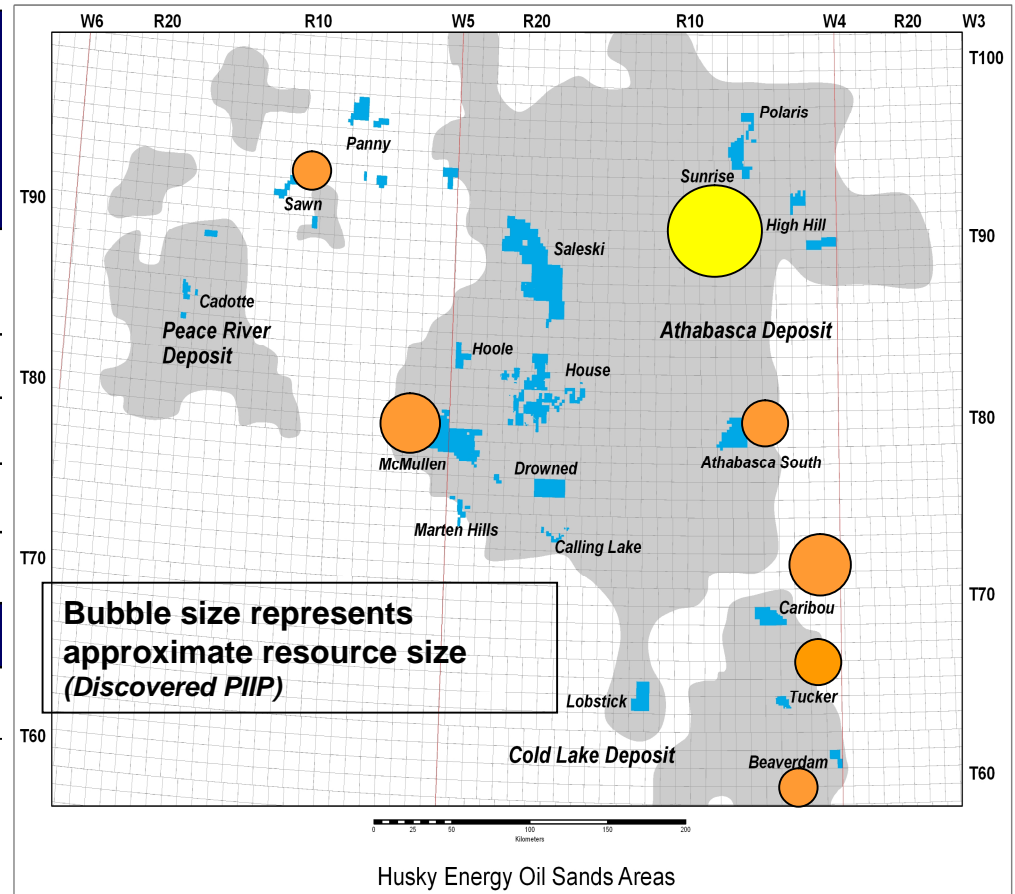


Strong portfolio of growth projects

Oil Sands Portfolio



Property	Discovered Petroleum Initially-in-Place ¹ (billion bbls)	3P Reserves ^{1,2} (billion bbls)	Contingent Resources ^{1,2} (billion bbls)
Sunrise (Net 50%)	4.6	1.8	0.5
Tucker	1.3	0.4	0
McMullen	4.4	0	1.0
Caribou	3.2	0	0.5
Others	2.1	0	0.2
Total	15.6	2.2	2.2
Saleski	32.2	Carbonate	



(1) As of December 31, 2009

(2) See advisory for breakdown of reserves and contingent resources

2.2 billion barrels of 3P reserves and 2.2 billion barrels contingent resources

White Rose Core Area and Satellites



White Rose

- Over 150-million barrels produced
- Strong reservoir performance
- Infill and EOR/IOR opportunities

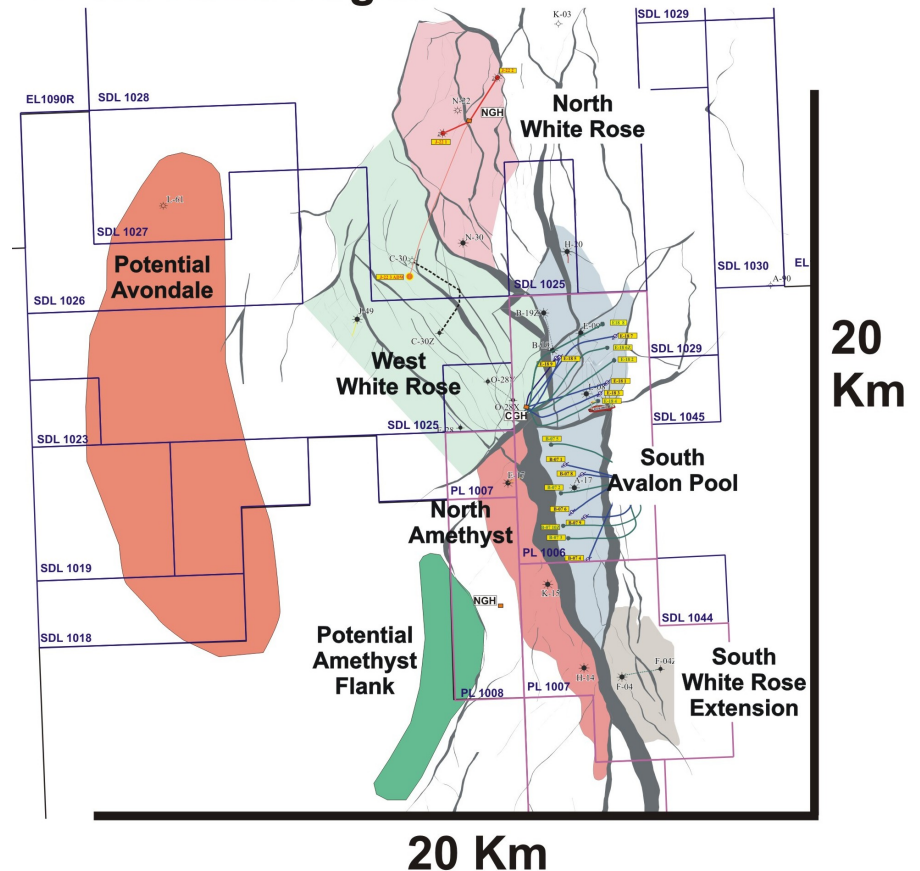
North Amethyst

- 11 development wells
- 2 producers; 2 water injectors
- Peak production ~ 37,000 bbls/day
- Hibernia, development plan application expected Q1 2011

West White Rose

- Staged development; pilot pair
- Production well drilled; injector this year
- First oil target mid-2011

White Rose Region



Significant resource base

SE Asia Overview

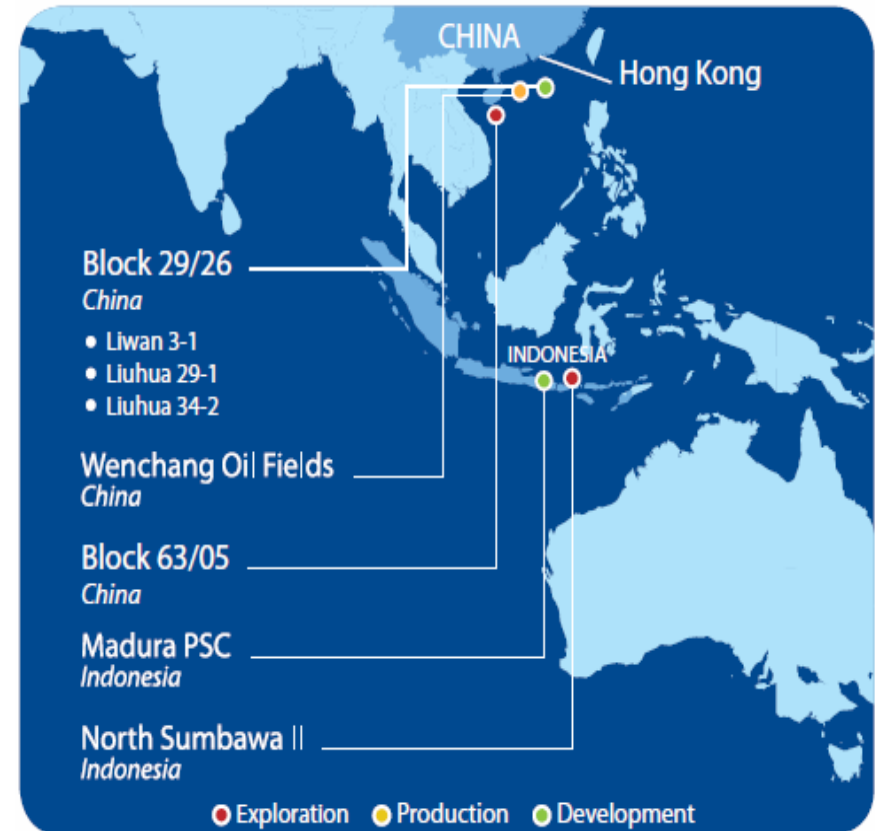


China

- Block 29/26 Gas Fields
 - Liwan 3-1 well advanced
 - Liuhua 34-2, the appraisal is complete and preparing regulatory approval
 - Liuhua 29-1 is under appraisal
- Block 63/05
 - Seismic evaluation and exploration well in 2011

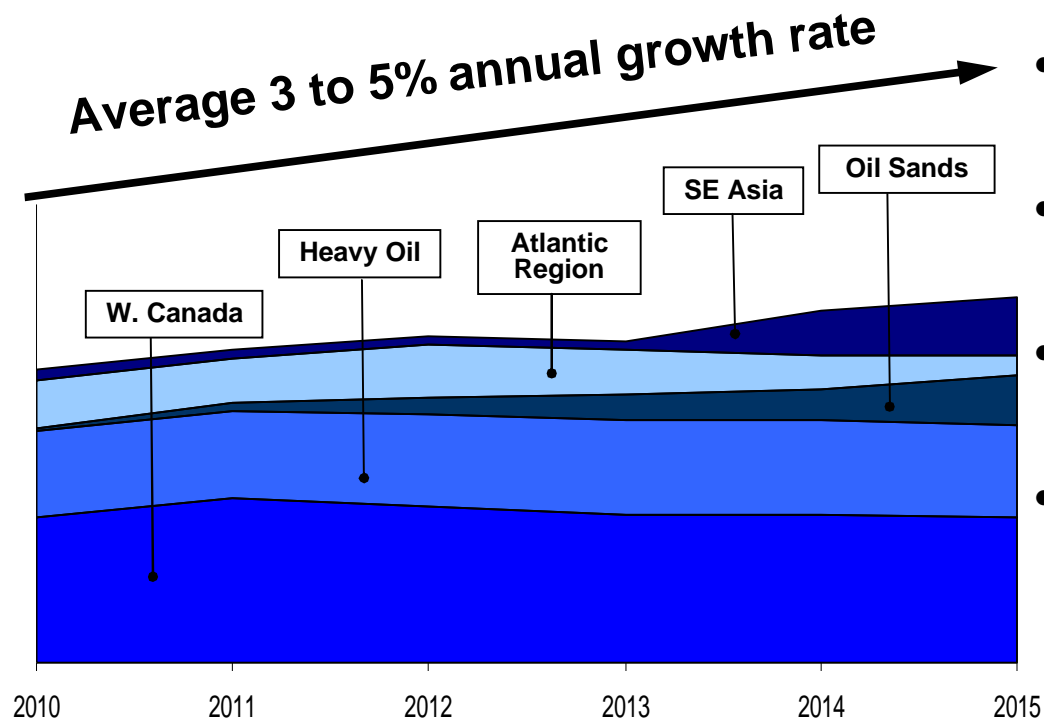
Indonesia

- Madura Strait PSC - extended for 20 years
- Madura BD Gas Field - engineering being completed
- North Sumbawa - exploration drilling in 2011



Significant progress made

Production – Five Year Outlook



- Acquisitions and North Amethyst provide immediate growth in 2011
- Pikes Peak South and increased thermal volumes in 2012
- Increased volumes from resource plays contribute in 2013
- Sunrise and Liwan contribute in 2014

Average 3 to 5% annual growth over plan period

Summary



- Clear strategy with experienced team to deliver
- Near-term production gap filled
- Solid balance sheet strength and financial flexibility
- Track record of financial discipline
- Strong principal shareholder support
- Value proposition – “balanced growth”

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