

B #:	0933-14
Date:	June 5, 2014
To:	All Clients
Category:	Dividends
From:	Supervisor, Stock Dividend Department
Attention:	Dividend Managers, Cashiers, and Reorganization Managers
Subject:	Husky Energy Inc. (Stock Dividend Program) CUSIP: 448055103 Record Date: 06/05/2014 Payable Date: 07/02/2014 Rate: CDN \$0.30 per share DTC EDS Cut-Off: 06/06/2014 at 1:00 P.M. NY time

*****WARNING TIME CRITICAL*****

The event defined in this Important Notice is NOT a Cash Dividend with a Dividend Reinvestment Option. The event has been established as a Stock Dividend Program by the issuer. The distribution will be paid in cash unless opting to receive the stock dividend.

PER THE PRESS RELEASE FROM HUSKY ENERGY INC. DATED MAY 7, 2014; "FOLLOWING FEEDBACK FROM INVESTORS, THE BOARD OF DIRECTORS HAS DECIDED TO REINSTITUTE A STOCK DIVIDEND PROGRAM, WHICH ALLOWS SHAREHOLDERS TO ACCEPT DIVIDENDS DECLARED ON THE COMMON SHARES IN CASH OR IN COMMON SHARES."

Husky Energy Inc. has declared a dividend of CDN \$0.30 to shareholders of record at the close of business on 06/05/2014. The dividend will be paid in cash; however shareholders can elect to receive stock dividends in the form of common shares of Husky Energy Inc. in lieu of the cash dividend.

DTC is utilizing two functions (Dividend Reinvestment and Foreign Tax Withholdings) within the Electronic Dividend System (EDS) to process this dividend. This will allow clients the ability to elect to receive the stock dividend shares and Canadian currency and/or the cash dividend and Canadian currency where eligible.

Clients wishing to elect stock dividend shares must use the Dividend Reinvestment Program on EDS. The stock dividend is not subject to Canadian non-resident tax withholding, unless Husky determines otherwise and notifies DTC accordingly. For further information regarding the taxation of stock dividends Clients are urged to refer to Husky's [Management Information Circular](#) dated January 31, 2011.

Clients making this election will be prompted to enter a Tax Exempt Control number which, for this distribution only, should be entered as 999999.

Shareholders who elect to receive stock dividend shares in Husky Energy Inc., will receive these shares at a factor determined as the declared dividend rate/volume average trading price x amount of shares, such rate to be determined. Clients will be paid 100% of their stock dividend entitlement. The disposition of fractional entitlement is TBA.

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Due to the way this dividend is being processed, Clients should contact their respective DTC Relationship Manager if unable to access EDS for either the Dividend Reinvestment or Foreign Tax Withholdings functions.

Clients who elect to receive the cash dividend must use the Foreign Tax Withholdings function on EDS. Clients are required to make their elections for the appropriate Canadian non-resident tax withholding rate and for payment in Canadian currency, if eligible for the Canadian currency option through DTC.

Under the Foreign Tax Withholdings function clients will be able to elect the cash dividend as follows:

- Unfavorable Rate:** You may elect to receive the cash dividend at a rate of CDN \$0.30 per share **less 25%** Canadian non-resident withholding tax. **DEFAULT**
- Favorable Rate:** You may elect to receive cash at a rate of CDN \$0.30 per share **less 15%** Canadian non-resident withholding tax.
- Exempt 0% tax:** You may elect to receive cash at a rate of CDN \$0.30 per share **less 0% tax (tax exempt)**.

THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) OPTION, ACCESSED VIA THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY FUNCTION (DIVA), SHOULD BE USED TO CONFIRM YOUR RECORD DATE POSITION HISTORY.

Clients not responding to the above option by 1:00 P.M New York time on 06/06/2014, will receive the mandatory distribution in accordance with the cash dividend at the Unfavorable rate (less 25% Canadian non-resident tax withholding – default option). **DUE TO THE TIME RESTRICTIONS WITH THE TRANSFER AGENT THERE WILL BE NO REVISIONS OR EXTENSION GRANTED.**

If there are any questions regarding this Important Notice or the processing of related instructions via EDS, clients should contact DTCC's Customer Service Center at (888) 382-2721.

Important Legal Information: *The Depository Trust Company ("DTC") does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages. To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that maybe imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.*