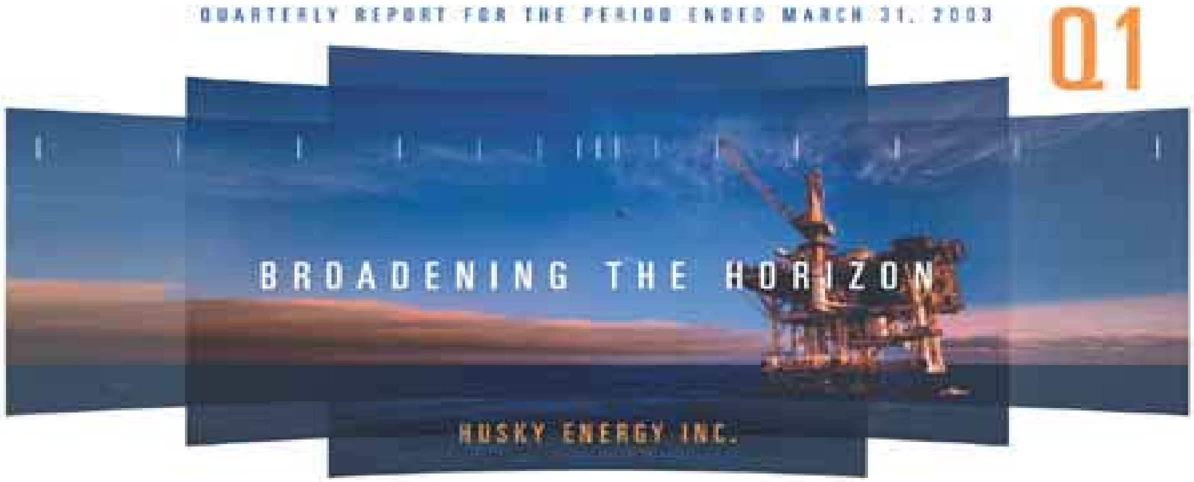
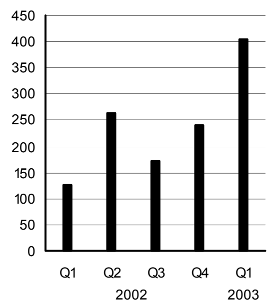
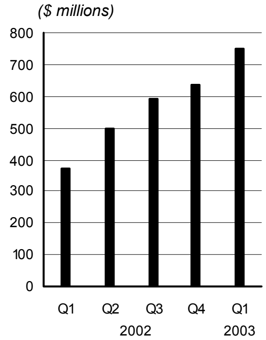


HUSKY ENERGY ANNOUNCES RECORD QUARTERLY RESULTS

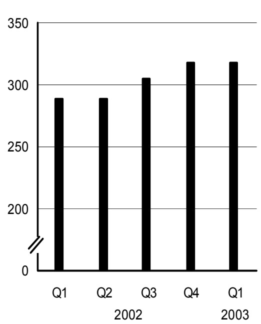
Net Earnings
($ millions)



Cash Flow from Operations
($ millions)



Total Production
(mboe/day)



(Calgary, Alberta) Husky Energy Inc. reported net earnings of $406 million or $1.00 per share (diluted), in the first quarter of 2003, compared with $126 million or $0.29 per share (diluted) in the same quarter of 2002. Cash flow from operations was $747 million or $1.76 per share (diluted), up from $373 million or $0.87 per share (diluted) in the first quarter of 2002.

High commodity prices and foreign exchange gains on U.S. denominated debt translation were the main contributors for the Company's strong financial performance.

"In the first quarter of 2003, Husky Energy achieved record results in net earnings and cash flow from operations," said John C.S. Lau, President and Chief Executive Officer. "Husky benefited from strong oil and gas prices and increased production during the quarter."

Total production in the first quarter of 2003 was 312,100 barrels of oil equivalent per day up from 288,700 barrels of oil equivalent per day in the first quarter of 2002.

Light crude oil and natural gas liquids production was up by 36 percent to 74,300 barrels of oil per day over the same period in 2002 and heavy crude oil production was up by five percent to 97,800 barrels per day. In addition, natural gas production per day was up by four percent to 591 million cubic feet per day.

Husky's capital expenditures in the first quarter of 2003 were $500 million, as compared with $426 million in the first quarter of 2002. The increase in capital expenditures was mainly due to the development of the White Rose oil field, which accounted for $94 million in the first quarter of 2003. Husky's capital expenditures for 2003 remain at $1.84 billion, and include $515 million for the White Rose project and $67 million for oil sands development.

"Husky is committed to its financial discipline and with its corporate hedging program in place for the year 2003, our expenditures for growth prospects in the Canadian east coast offshore, internationally in the south China sea, and the western Canadian oil sands are expected to be funded by our internal generated cash resources" said John C.S. Lau, President and Chief Executive Officer.

Husky Energy

Highlights				
	Three months ended March 31			
(millions of dollars, except per share amounts)	**2003**	2002		% Change
Sales and operating revenues, net of royalties	**$ 2,218**	$ 1,359	⇧	63
Cash flow from operations	**747**	373	⇧	100
Per share -Basic	**1.77**	0.88	⇧	101
-Diluted	**1.76**	0.87	⇧	102
Segmented earnings				
Upstream	**$ 307**	$ 94	⇧	227
Midstream	**49**	56	⇩	13
Refined Products	**-**	4	⇩	100
Corporate and eliminations	**50**	(28)	⇧	279
Net earnings	**$ 406**	$ 126	⇧	222
Per share - Basic	**$ 1.01**	$ 0.29	⇧	248
- Diluted	**1.00**	0.29	⇧	245
Dividend paid per share	**0.09**	0.09		-
Daily production, before royalties				
Light crude oil & NGL *(mbbls/day)*	**74.3**	54.8	⇧	36
Medium crude oil *(mbbls/day)*	**41.4**	46.7	⇩	11
Heavy crude oil *(mbbls/day)*	**97.8**	92.9	⇧	5
Total crude oil & NGL *(mbbls/day)*	**213.5**	194.4	⇧	10
Natural gas *(mmcf/day)*	**591.2**	566.0	⇧	4
Barrels of oil equivalent (6:1) *(mboe/day)*	**312.1**	288.7	⇧	8

Highlights

UPSTREAM
Production

Total production in the first quarter of 2003 averaged 312,100 barrels of oil equivalent per day, comprised of 213,500 barrels of crude oil per day and 591 million cubic feet of natural gas per day, which was eight percent higher compared with the first quarter of 2002 and two percent lower compared with the fourth quarter of 2002.

The lower crude oil production in the first quarter of 2003 compared with the fourth quarter of 2002 was primarily due to:

- lower drilling activity in the Western Canada oil producing areas for seasonal reasons and concentration of resources on natural gas development.
- inclement weather in Western Canada curtailed well servicing and increased maintenance work.
- production from Terra Nova was lower due to harsh weather conditions.
- production at Wenchang was slightly lower due to its natural declines.

In the Lloydminster area Husky drilled 70 primary and thermal heavy oil wells during the quarter. Heavy oil production from the Lloydminster area averaged 82,500 barrels per day in the first quarter of 2003, an increase of 5,600 barrels per day compared with a year ago.

Natural gas production in Western Canada was two percent higher in the first quarter of 2003 compared with the fourth quarter of 2002 resulting primarily from tie-in activity in northwestern Alberta and southwestern Saskatchewan.

Shackleton Natural Gas Project

During the first quarter of 2003 the total number of producing wells increased in the Shackleton natural gas area to 144 wells. Gross production from the Shackleton area averaged 31 million cubic feet per day during the first quarter of 2003 and the facilities throughput capacity was increased to 45 million cubic feet per day to accommodate further production increases.

Bolney/Celtic Thermal Project

The Bolney/Celtic thermal expansion project continued during the quarter with nine horizontal wells on-line at Celtic. Production at the project reached six thousand barrels per day in March 2003 with plans for drilling five steam assisted gravity drainage wells and ten vertical wells to increase production.

Oil Sands - Alberta

Tucker

Husky submitted a project application to the Alberta Energy and Utilities Board and an environmental impact assessment to Alberta Environment in February for the Tucker project. Husky proposes to develop a 30,000 barrel per day in-situ bitumen project utilizing steam assisted gravity drainage technology.

Kearl

At Kearl Husky drilled 212 stratigraphic test wells as part of the preliminary reservoir assessment. Core logging is in progress with a view to development of a geological model of the reservoir.

Exploration

Western Canada

During the first quarter Husky drilled 90 net exploration wells, which included three net oil completions and 70 net natural gas completions. At the end of the quarter seven net exploration wells were drilling or suspended pending the end of spring break-up.

In the foothills region of Alberta three natural gas discovery wells were drilled at Lynx, two of which were completed and placed on production. In northeastern British Columbia an exploration and development program was completed at Bivouac resulting in 10 net natural gas wells, seven of which have been completed and placed on production.

Exploration activity in the foothills/deep basin region of Alberta will be focussed in the Ram River/Bighorn area during the remainder of 2003 where, at the end of the quarter, six net wells were drilling or suspended pending the end of spring break-up.

Major Project Update

International Offshore - China

Wenchang

Exploration activity in the South China Sea is expected to proceed with the acquisition of seismic data and detailed evaluation of prospective drilling locations. Technical data gained from two exploration wells, which were plugged and abandoned during the first quarter of 2003, will be incorporated in the geological models.

East Coast, Canada Offshore

White Rose

Progress was made on the White Rose oilfield project during the first quarter of 2003. In South Korea, the keel for the floating production, storage and offloading vessel (“FPSO”) was completed and construction of the hull is underway. In Abu Dhabi, the turret for the FPSO is expected to begin testing in May followed by delivery to Korea during the third quarter of 2003 for installation on the FPSO. The completed hull is scheduled for delivery in Newfoundland in early 2004. Development drilling is expected to start during the second half of 2003 pending upgrading of the semi-submersible drilling rig Glomar Grand Banks. Dredging the first of three glory holes is currently underway.

MIDSTREAM

Husky Lloydminster Upgrader

The hydrogen membrane system project commissioned in late 2002 operated successfully throughout the first quarter of 2003. The system recovers hydrogen gas, the additional hydrogen recovered from plant fuel gas streams will be used in increased synthetic crude yield from the hydrocracker unit.

The debottle-neck project is proceeding and is expected to be complete by 2004. The project is expected to increase the plant's production capacity from 77,000 barrels per day to 82,000 barrels per day.

REFINED PRODUCTS

During the first quarter Husky completed and commissioned Husky Market convenience stores at Whistler, British Columbia and at Calgary and Wetaskiwin in Alberta. Three additional Husky Market convenience stores are scheduled to commence construction later in spring 2003 and development permits for another three have been granted.

StorePoint, an integrated point of sale system was installed at 47 outlets during the quarter bringing the total StorePoint systems installed to 223.