

News Release

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Husky Energy announces \$2 million Chair in Oil and Gas Research at Memorial University of Newfoundland

St. John's, Newfoundland and Labrador - Mr. John C.S. Lau, President and Chief Executive Officer of Husky Energy, announced a \$2 million endowment for the establishment of the Husky Energy Chair in Oil and Gas Research at a ceremony held today at Memorial University. It is the first endowed research chair at Memorial University.

"Husky is very pleased to provide this endowment under the mentorship of Memorial University," said Mr. Lau. "The creation of this senior research chair demonstrates our confidence in exploration and development here on the East Coast of Canada, and in the university's ability to conduct research to meet the ever-changing needs of the petroleum industry. It is our corporate strategy for investment in people that will serve both the industry and the province for generations to come."

The new chair will be a significant resource for the developing regional oil and gas sector and will help Memorial move towards its goal of becoming an international centre relating to oil and gas research and teaching.

The research to be conducted by the chair will be in the utilization of seismic imaging to enhance the interpretation of porosity and permeability within reservoirs. This improved reservoir characterization should initially lead to better design of development plans and improved location of development wells. In the longer term, this increased capability will result in optimum recovery of oil and gas from offshore reservoirs. It is expected that research in multi-component seabed seismic systems will be carried out simultaneously, further improving the efficacy of seismic imaging in the Newfoundland and Labrador offshore.

Participating in the announcement with Mr. Lau were Memorial University President Dr. Axel Meisen, and the Hon. Walter Noel, Minister of Mines and Energy. "By permanently endowing this dedicated senior research and teaching position, Husky Energy has shown true leadership," Dr. Meisen said. "It is this kind of support that will help transform Newfoundland and Labrador into an internationally recognized leader in education, training, research and development in all facets of offshore oil and gas."

"Research is a key component of any emerging industry," Minister Noel said. "For an industry contingent on a non-renewable natural resource, it is vital. I congratulate Husky Energy for its substantial investment in our province and the Memorial University for its ongoing commitment to excellence in the development of our resources. Only by working together - and combining our collective 'energies' - will we make our oil and gas industry a force to be reckoned with in the global marketplace."

Husky's White Rose project is having a significant impact on the province. At present there are more than 1,000 people directly employed in Newfoundland on the project. Of these more than 300 people are engaged in project management and administration, and more than 250 people in engineering.

"The Canadian East Coast offshore plays an important part in Husky Energy's current and future operations and it is one of Husky's key growth locations," concluded Mr. Lau. "We believe this investment in people and research will lead to additional exploration and future discoveries in the offshore area of Newfoundland and Labrador."

Husky has been involved in the East Coast offshore energy business for more than 20 years and is one of the largest acreage holders in Newfoundland's offshore with one field in production, one under development and more than one million acres of exploration lands. The Terra Nova project has added approximately 13,000 barrels per day to Husky's overall annual production. When the White Rose project comes into production in late 2005/early 2006, it is anticipated that the East Coast will contribute an additional 67,000 barrels per day to Husky's total production.

The Memorial University's Oil and Gas Development Partnership was formulated following extensive consultation by the university. It is designed to build on the existing strengths at the Memorial and in the local industry, and create new opportunities in collaboration with educational partners, including the province's College of the North Atlantic. New academic programs will be developed in Engineering and Applied Science, Earth Sciences and Maritime Studies. Research will involve the faculties of Engineering and Applied Science, Science, Arts, the School of Business Administration, the Marine Institute and Memorial's research unit and C-CORE. The initiative also calls for the development of outreach programs involving special lectures, distance and continuing education and conferences.

Husky Energy is a Canadian-based integrated energy and energy-related company headquartered in Calgary, Alberta. Husky Energy is publicly traded on the Toronto Stock Exchange under the symbol HSE.

Certain information in this release may contain forward-looking statements. Actual future results may differ materially. Husky's annual report to shareholders and other documents filed with securities regulatory authorities describe the risks, uncertainties and other factors, such as changes in business plans that could influence actual results.

For additional information on the White Rose Project, please visit www.huskywhiterose.com

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