

News Release

Husky Energy Announces Results of White Rose Delineation Wells

Calgary, AB – Husky Energy is pleased to announce the drilling results of its latest Canadian offshore wells, White Rose F-04 and F-04Z, located approximately 350 kilometres off Newfoundland's east coast. The delineation wells were drilled on a separate geological structure at the southern end of the White Rose oil field in the Jeanne d'Arc Basin.

The initial F-04 well encountered approximately 180 metres of hydrocarbon-bearing sandstone in the Avalon Formation, comprising 140 metres of gas and 40 metres of oil. The data gathered from the F-04 well, comprised of wire-line logs, fluid and pressure samples, conventional and sidewall cores indicated that the reservoir characteristics are comparable to those encountered in the South Avalon pool of the White Rose oil field. On the basis of this information, Husky and its partner chose to drill a sidetrack location (F-04Z) to further delineate the structure.

The original F-04 well was plugged back to a depth of 1,400 metres and from this position the F-04Z well was side-tracked to a bottom hole location approximately 1,100 metres to the east. The well encountered the same oil/water contact as expected in the F-04 well. Husky, as operator of the White Rose oil field, estimates the potential hydrocarbon volumes in this pool to be 200-250 billion cubic feet of natural gas and 60-90 million barrels of oil-in-place. Early indications are that there is the potential to increase the current estimated recoverable light oil reserves for the White Rose project by approximately 20-30 million barrels, which are in addition to the expected recoverable oil reserves of 200-250 million barrels and possible gas reserves of 2,100 billion cubic feet. Planning and design work will begin shortly to evaluate the optimum method for producing the oil reserves from the F-04 structure through the White Rose Floating Production Storage and Off-loading (FPSO) facility.

"The results from the F-04 and F-04Z wells are incremental to the White Rose oil field, and have the potential to lengthen its production life and to improve the economic return of the project," said Mr. John C.S. Lau, President and Chief Executive Officer of Husky Energy. "It is anticipated that the increase in the White Rose gas reserves will enhance the possibility for long-term gas development on the Grand Banks."

White Rose Project Update

Husky is also pleased to report the completion of three glory holes and the commencement of the development drilling program for the White Rose project.

The glory holes, which are nine-metre deep excavations in the seabed used to protect the subsea wellheads and associated production equipment against icebergs, were dredged in water depths of 115 to 130 metres. Two of the three glory holes were excavated using 'clam-dredging' technology, while the third glory hole was excavated using the 'trailing-head suction-dredging system.'

"This is a major project milestone for the White Rose oilfield," said Mr. Lau. "With the completion of these glory holes, Husky has made good progress in achieving our development target of oil production by late 2005 or early 2006."

Development drilling of the White Rose oil field will consist of nine wells prior to first oil—four producing wells, four water injection wells and one gas injection well—to be completed over the next two years.

Other White Rose oilfield activities are progressing well. The hull of the Floating Production Storage and Offloading (FPSO) was launched in South Korea in late July 2003. The turret, which was fabricated in Abu Dhabi, was successfully transported to South Korea in mid-August and is now being installed in the FPSO hull. Under the current schedule, the vessel is expected to arrive in Marystown, Newfoundland in early 2004 where the installation of the topsides, hook up and commissioning will take place.

The FPSO topsides modules are being engineered and fabricated in St. John's and Marystown. Direct workforce engaged in the White Rose project, including construction activity and drilling operations, in Newfoundland and Labrador reached 1,700 in July. Fabrication of the subsea production systems, including risers, flowlines and umbilicals, manifolds and wellheads are well under way. The first subsea wellhead assembly is expected to be completed in November 2003.

The White Rose oilfield owners are Husky Energy, project operator (72.5%) and Petro-Canada (27.5%). The peak production of the White Rose oilfield is expected to be 92,000 barrels per day and Husky's share of the oil production will be approximately 67,000 barrels per day.

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 such as drilling results and other factors, such as changes in business plans that could influence actual results.

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

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White Rose F-04Z Sidetrack Well



