



Husky Energy Inc.

News

June 27, 2006

For immediate release

Husky Energy Increases Activities in the Jeanne d'Arc Basin

St. John's, Newfoundland and Labrador – Mr. John C.S. Lau, President & Chief Executive Officer, Husky Energy Inc., announced that Husky Energy has entered into a farm-in agreement with Norsk Hydro Canada Oil & Gas Inc., for the drilling of a well in the Jeanne d'Arc Basin, offshore Newfoundland and Labrador.

The West Bonne Bay prospect is located in Significant Discovery License (SDL) 1040, approximately 320 kilometres southeast of St. John's, in close proximity to the Terra Nova oil field, and in water depths of 100 metres. The well will be drilled using the jack-up drilling rig Rowan Gorilla VI which is under contract to Husky Energy for a multi-well program. Drilling of the West Bonne Bay well commenced June 27 and will take approximately 60 days.

Norsk Hydro currently holds a 90 percent working interest in the West Bonne Bay SDL 1040. Under the terms of the farm-in agreement, Husky will receive a 25 percent working interest in SDL 1040 and an additional 7.5 percent in the North Ben Nevis SDL 1008 where Husky has a working interest of 65.6 percent. Husky will serve as operator for the drilling program, with operatorship reverting to Norsk Hydro upon conclusion of the drilling operations.

"We are very pleased to partner with Norsk Hydro in drilling the West Bonne Bay prospect," said Mr. Lau. "The East Coast is a strategic growth area for Husky, and obtaining an interest in West Bonne Bay and an additional interest in the North Ben Nevis significant discovery further strengthens our land holdings position in the region."

Mr. Johan Kristian Mikkelsen, President of Norsk Hydro Canada Oil & Gas, is pleased to welcome Husky Energy as a partner in the drilling of this well. "By using the drilling rig Rowan Gorilla VI under contract to Husky Energy, we have the opportunity to drill the well during a period when access to drilling rigs is at a premium," he said.

Husky Energy will also commence a 3-D seismic acquisition program offshore Newfoundland in early July using the Western Geco vessel *Western Regent*. The program will include the recording of 600 square kilometres of data around the Fortune SDLs 1011 and 1012 in the central Jeanne d'Arc Basin and approximately 250 square kilometres of seismic acquisition on Exploration Licence 1067, to complete a 750 square kilometre survey begun last summer.

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. Norsk Hydro AS is a Fortune 500 energy and aluminium supplier founded in 1905, with 35,000 employees in nearly 40 countries.

Certain statements contained in this news release constitute forward looking statements or information (collectively, "forward looking statements") within the meaning of applicable securities legislation. These forward looking statements relate to future events or Husky's future performance. The use of any of the words "could", "should", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward looking statements and are based on Husky's current belief or assumptions as to the outcome and timing of such future events, and in this news release includes West Bonne Bay drilling plans and the offshore Newfoundland 3-D seismic acquisition program. Actual future results may differ materially. Husky's annual report to shareholders and other documents filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com and the EDGAR website www.sec.gov) describe the risks, uncertainties and other factors, such as drilling results, changes in business plans and potential delays or changes in plans with respect to development projects or capital expenditures, that could influence actual results. Except as required by law, Husky disclaims any intention or obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

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Jeanne d'Arc Basin

Husky Working Interest Lands

