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For immediate release

Husky Announces Plans for East Coast Development

St. John's, Newfoundland and Labrador - Husky Energy Inc. today announced plans to expand its development and exploration drilling activities in the offshore East Coast, Canada. These plans consist of White Rose infill drilling to enhance reservoir recovery and production, bringing White Rose satellite fields onto production in late 2009 or early 2010.

Husky and Petro-Canada have reached a rig sharing agreement with StatoilHydro in bringing the *Henry Goodrich*, a harsh environment semi-submersible drilling unit, to the Newfoundland and Labrador offshore. The rig is expected to be in the Canadian East Coast in the summer of 2008, for a period of 24 to 30 months. Husky, which has extensive land holdings and drillable prospects in the region, is pleased to secure the rig for approximately 17 months. Husky already contracted the *GSF Grand Banks* for a period of three years which is currently operating in the offshore Newfoundland and Labrador.

"We are very pleased to partner with StatoilHydro and Petro-Canada in bringing the *Henry Goodrich* back to the Newfoundland and Labrador waters," said Mr. John C.S. Lau, President & Chief Executive Officer of Husky Energy Inc. "Securing this rig gives Husky the flexibility to advance the White Rose subsea tieback program and drill some exciting exploration prospects in the Jeanne d'Arc basin."

Husky will utilize the *Henry Goodrich* and the *GSF Grand Banks* to drill infill producers and injectors to enhance production at the existing White Rose oil pool and progress the White Rose Satellite developments including North Amethyst and West White Rose.

To secure further exploration interests in the Canadian East Coast, Husky has reached an agreement with StatoilHydro to participate in the Mizzen exploration well on Exploration License EL 1049 in the Flemish Pass basin. Under the agreement, Husky will have a 35 percent working interest in EL 1049. The Mizzen well is expected to be drilled with the *Henry Goodrich* later in 2008.

"Securing the *Henry Goodrich* rig and partnering with StatoilHydro in the Mizzen exploration well demonstrates Husky's long-term commitment to Newfoundland and Labrador," said Mr. Lau. "We have confidence in this region and look forward to continuing our good working relationship with StatoilHydro."

The *Henry Goodrich* drill rig is also scheduled to drill a production and a water injection well in the Terra Nova oil field in late 2008 or early 2009 to supplement production and increase oil recovery. Husky holds a 12.51% interest in the Terra Nova oil field.

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 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", "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 include the timing of the arrival of the Henry Goodrich in Canadian waters and the anticipated drilling schedule. 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, the receipt of regulatory approvals, 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 applicable securities laws, 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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