

September 1, 2010

Husky Energy Acquires Foothills Natural Gas Properties

Calgary, Alberta (Sept. 1, 2010) – Husky Energy announced that a purchase agreement has been signed to acquire natural gas properties in west central Alberta, which will significantly add to the Company's production and reserves and extend the optimum utilization of its Ram River Gas Plant.

The asset acquisition will provide Husky with more than 65 million cubic feet per day (mmcf/d) of natural gas production or 10.8 thousand barrels of oil equivalent per day (mmboe). In addition, the acquisition will contribute 37 mmboe of proven reserves and 11.7 mmboe probable reserves. Husky's reserves estimates are as of June 1, 2010.

"As part of our heightened focus on growing near-term production, Husky has initiated a strategy to accelerate near term production opportunities and to leverage our balance sheet capability in order to make acquisitions that fit with our business competence," said CEO Asim Ghosh. "This agreement represents an important step in executing that strategy."

The Ram River Gas Plant processes a significant portion of the production that is being acquired, and over a five-year period, further production from the acquired properties will be integrated into the plant.

"This is an important acquisition that adds to our natural gas production and reserves in an area where we have significant gas gathering and processing infrastructure," said Ghosh. "The terms of the deal provide an attractive rate of return at today's natural gas prices and offers Husky significant upside potential."

The agreement is subject to final closing and regulatory approvals, expected in fall of 2010.

The Ram River region in the foothills of central Alberta is a core gas producing area for Husky. The Company currently produces 50 mmcf/d. The acquisition adds 160,000 acres of land to the Company's holdings, including 122,000 undeveloped acres, doubling Husky's current land holdings in the region.

Husky Energy is an integrated energy company headquartered in Calgary, Alberta, Canada. Husky Energy is a publicly traded company listed on the Toronto Stock Exchange under the symbol HSE. More information is available at www.huskyenergy.com.

FORWARD LOOKING INFORMATION

*Certain statements in this press release are forward-looking statements or information (collectively "**forward-looking statements**"), within the meaning of the applicable securities legislation. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as: "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "intend," "plan," "projection," "could," "vision," "goals," "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In particular, this news release includes forward-looking statements relating to the Company's general strategic plans; the anticipated effect of the asset acquisition on Husky's business,*

operations, production and reserves; and Husky's plans for integrating the assets to be acquired into its existing assets and operations. Although Husky believes that the expectations reflected by the forward-looking statements presented in this press release are reasonable, Husky's forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to Husky about itself and the businesses in which it operates. Information used in developing forward-looking statements has been acquired from various sources including third party consultants, suppliers, regulators and other sources. Husky's Annual Information Form 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, material assumptions and other factors that could influence actual results and which are incorporated herein by reference. 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.

DISCLOSURE OF OIL AND GAS RESERVES AND OTHER OIL AND GAS INFORMATION

Husky's disclosure of proved and probable oil and gas reserves and other information about its oil and gas activities has been made based on reliance of an exemption granted by Canadian Securities Administrators. The exemption permits Husky to make these disclosures in accordance with requirements in the United States. These requirements and, consequently, the information presented may differ from Canadian requirements under National Instrument 51-101, "Standards of Disclosure for Oil and Gas Activities." Please refer to "Disclosure of Exemption under National Instrument 51-101" in the Annual Information Form for the year ended December 31, 2009 filed with securities regulatory authorities for further information.

The Company uses the terms barrels of oil equivalent ("boe") and thousand cubic feet of gas equivalent ("mcfge"), which are calculated on an energy equivalence basis whereby one barrel of crude oil is equivalent to six thousand cubic feet of natural gas. Readers are cautioned that the terms boe and mcfge may be misleading, particularly if used in isolation. This measure is primarily applicable at the burner tip and does not represent value equivalence at the wellhead.

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