Husky Energy

News Release

Calgary – October 13, 2000 – For Immediate Release

HUSKY ENERGY ANNOUNCES SIGNING OF PETROLEUM CONTRACT

Husky Oil China Ltd. (Husky), one of the Husky Energy Inc. group of companies, announced today the signing of a petroleum contract for the joint development of the Wenchang 13-1 and 13-2 oil fields in the South China Sea with China National Offshore Oil Corporation (CNOOC).

Husky will hold a 40% working interest in these CNOOC-operated fields. Discovered in 1997, the Wenchang oil field development is located in the western Pearl River Mouth Basin, approximately 300 kilometres south of Hong Kong and some 136 kilometres east of Hainan Island at a water depth of 100 metres. Approval of the Overall Development Plan (ODP) by the relevant authorities has been received and development work has commenced.

James S. Blair, Senior Vice President of Husky Energy said that, “Oil production from Wenchang is targetted to begin in the first half of 2002 and have a peak production rate of 50,000 barrels of oil per day. Independent consultants have estimated recoverable reserves at approximately 100 million barrels for the two fields.”

The Wenchang Project Team has approached international contractors to construct a floating production storage offloading vessel (FPSO) located between the two fields, with storage capacity of 1.2 million barrels. The development will incorporate two fixed platforms, one at each field, connected to the FPSO by pipelines.

"This exciting project will significantly enhance our production and earnings growth while providing a strong foundation for our growing portfolio of international assets" said John C.S. Lau, President and Chief Executive Officer of Husky Energy. "The Wenchang project fits well with our Canadian east coast developments from a technology and operating perspective, while adding substantial and profitable medium term production growth internationally."

Husky Energy Inc. is a Canadian-based integrated energy and energy-related company headquartered in Calgary, Alberta. The Company’s operations include exploring for and developing crude oil and natural gas reserves; producing, purchasing, transporting and marketing crude oil, natural gas, natural gas liquids, and sulphur and petroleum coke; cogenerating electrical and thermal energy, upgrading and refining crude oil; and marketing refined petroleum products. Husky Energy is publicly traded on the Toronto Stock Exchange under the symbol HSE.

The contents of this news release may contain forward-looking statements including expectations of future production and capital expenditures. Information concerning reserves may also be deemed to be forward-looking statements as such estimates involve the implied assessment that the resources described can be economically produced in the future. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated. These risks include, but are not limited to, the inherent risks of the oil and gas industry. Such risks may include operational risks in exploration, development and production; potential delays or changes in plans regarding projects; the uncertainty of reserves estimates; the uncertainties regarding estimates of production, costs, and health, safety and environmental risks, commodity price, exchange and interest rate fluctuation.

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WENCHANG BACKGROUND SUMMARY

According to Wood Mackenzie, China has been the only country in South East Asia in which significant oil reserves have been discovered over the past two years. Since 1997, foreign contractors and CNOOC have discovered approximately 1,350 million barrels of oil. This compares to a total of 220 million barrels for the rest of South East Asia over the same period. On average, foreign operators and CNOOC have made a commercial oil discovery with one out of every three new field wildcats over the last three years.

CNOOC's operations offshore China are divided into four key producing areas: the Bohai Bay, the Western South China Sea, the Eastern South China Sea, and the East China Sea.

In the Eastern South China Sea, fields currently under production include the following:

	Operator		1999 Average Production
Huizhou Area	CACT*		89,000 bopd
Xijang Area	Phillips		70,000 bopd
Lufeng 13-1	JHN*		12,900 bopd
Liuhua 11-1	BP Amoco		24,000 bopd
Lufeng 22-1	Statoil		20,000 bopd
		Total	215,900 bopd

Other foreign participants with production-sharing contracts offshore China include: Chevron, Crestone, Shell, AGIP, Kerr-McGee, Santa Fe Snyder, Bligh Oil and Minerals, Burlington Resources International, Pecten, Primeline and Texaco.

CACT (Agip, Chevron, Texaco)
JHN (Japex, New Huanan Oil, Japan Energy Corp)

CNOOC has 10 production-sharing contracts in the production and development stages, and 24 in the exploration stage. Under the production-sharing contracts, CNOOC has the right to take up to 51% participating interest in any oil or gas field discovered in the contract area and may exercise such rights after the foreign partner has independently undertaken all of the exploration risks and finding costs.

CNOOC is the operator of the following fields:

Producing	Under Development
Suizhong 36-1	Suizhong 36-1 (second phase)
Boxi Block	Qinhuangdao 32-6
Jinzhou Block	Jinzhou 9-3
Weizhou Block	Nanbao 35-2
Pinghu	Bonan Block
	Dongfang 1-1
	Wenchang Block

Source: CNOOC, Wood McKenzie

South China Sea
Wenchang Discoveries