

# News Release

Calgary – May 11, 2001 – For Immediate Release

## **HUSKY ENERGY AND AVID OIL & GAS SIGN PRE-ACQUISITION AGREEMENT**

Husky Energy Inc. and Avid Oil & Gas Ltd. (“Avid”), both of Calgary, announced today that they have signed the pre-acquisition agreement necessary for Husky Oil Operations Limited (“Husky”) to acquire all of the remaining shares of Avid not currently held by Husky. Husky Oil Operations Limited is one of the Husky Energy group of companies.

Husky’s offer to purchase the remaining shares of Avid is subject to normal closing conditions, including the receipt of regulatory approvals and holders of not less than 51 percent of the Class A shares (other than Husky) and 66.7 percent of the Class B shares tendering to the offer.

The offer and takeover bid circular will be mailed to Avid shareholders by May 24, 2001.

Husky currently owns 38 percent of Avid. The parties expect that the offer to purchase the remaining Avid shares will close by June 29, 2001.

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