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For immediate release

Husky Energy Completes Ethanol Production Facility in Minnedosa, Manitoba

Calgary, Alberta – Mr. John C.S. Lau, President & Chief Executive Officer of Husky Energy Inc., advised the completion of Husky's Minnedosa Ethanol Plant in a ceremony at the Manitoba Legislative Building attended by the Minister of Science, Technology, Energy and Mines, the Hon. Jim Rondeau, and other dignitaries.

Husky's new ethanol plant at Minnedosa will produce annually 130 million litres of ethanol and 130,000 tonnes of Distillers Dried Grain with Solubles (DDGS), a high protein feed supplement. At full production, the Company expects to purchase 350,000 tonnes of grain annually from local producers. The new plant replaces an existing plant which produced 10 million litres of ethanol per year

"This new Minnedosa plant expands our ethanol production to meet consumer demand and is one of Husky's strategies to provide quality fuel," said Mr. Lau. "By constructing this plant, Husky Energy together with the governments of Manitoba and Canada, will deliver economic benefits within the province while focusing on cleaner burning fuels."

"This new plant will aid Manitoba in its plan to expand the use of clean energy alternatives to reduce greenhouse gases and to bring new economic development to rural areas," said Minister Rondeau. "We look forward to going to Minnedosa and officially opening the plant when it reaches full production."

In constructing this facility, Husky implemented a state of the art steam generation plant as well as investments in road upgrades and additional water treatment facilities. Husky's investment in the Minnedosa ethanol plant was approximately \$200 million. Under the Government of Canada's Ethanol Expansion Program, Husky qualified for funding of \$10.4 million.

The construction of the plant required over 1.1 million hours of employment and at the peak had more than 500 workers on-site. In addition, the facility will expand the workforce from 35 full-time to 40 full-time positions.

In 2005, Husky supported Manitoba's biofuel industry through the establishment of a \$1 million endowment at the University of Manitoba for research in ethanol.

Ethanol is a high-octane, alcohol based fuel additive produced from grain, including wheat. Ethanol-blended fuels offer several advantages over regular gasoline, including higher octane ratings, reduced tail-pipe emissions and protection from gas-line freezing.

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.

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belief or assumptions as to the outcome and timing of such future events, and in this news release include Minnedosa production rates and estimates of grain to be purchased. 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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