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For immediate release

Husky/CNOOC Complete Agreement for Joint Development in Indonesia

Calgary, Alberta – Husky Energy is pleased to announce that an agreement has been reached with CNOOC Ltd. to jointly develop the Madura BD gas and natural gas liquids field located offshore East Java, Indonesia. The agreement covers the development and further exploration of the Madura Straits Production Sharing Contract (PSC).

“CNOOC Ltd. brings extensive experience and strong technical skills in operating offshore Indonesia,” said Mr. John C.S. Lau, President & Chief Executive Officer of Husky Energy Inc. “We are pleased to team up with a strong partner to ensure that the development of the Madura BD field proceeds expeditiously and efficiently.”

Under this transaction, CNOOC Ltd. will pay Husky U.S. \$125 million to acquire a 50 percent equity interest in Husky Oil (Madura) Limited, which holds a 100 percent interest in the Madura Strait PSC. The Madura Strait PSC is located approximately 40 kilometres north of East Java and covers 2,794 square kilometres of exploration acreage. Ten wells have been drilled in this block since 1984, resulting in two discoveries, the Madura BD and MDA fields. In 2007, Husky signed three gas sale and purchase agreements for the sale of 100 million cubic feet per day of natural gas from the Madura BD field to East Java buyers.

CNOOC Southeast Asia Limited, a subsidiary of CNOOC Ltd., has significant depth of development and operations experience in Indonesia and currently operates two blocks and holds interests in numerous other blocks in Indonesia.

Husky holds a 100 percent interest in the East Bawean II PSC, offshore Indonesia and will continue to focus on exploration and drilling activities in Indonesia. Husky recently completed a 1,410 square kilometre 3-D seismic program over this block in preparation for a two well exploration program in 2009.

Husky Energy is a Canadian based integrated energy and energy-related company headquartered in Calgary, Alberta. Husky Energy is a publicly traded company listed on the Toronto Stock Exchange under the symbol HSE.

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