



P.O. Box 6525, Station D, 707 Eighth Avenue S.W. Calgary, Alberta T2P 3G7 T: (403) 298-6111 F: (403) 298-7464 www.huskyenergy.com

For immediate release

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Husky Announces Results of Appraisal Well in South China Sea Discovery

Calgary, Alberta – (February 23, 2009) John C.S. Lau, President & Chief Executive Officer of Husky Energy Inc., is pleased to announce that Husky Oil China Ltd., a wholly owned subsidiary of Husky Energy, has completed drilling and testing of the first appraisal well at the Liwan 3-1 field on Block 29/26, South China Sea.

The *West Hercules* deepwater drilling rig commenced drilling the first appraisal well in November 2008. The well was drilled and tested in a water depth of 1,345 metres in the Pearl River Mouth Basin on the gas discovery made in 2006 in the Liwan field in the South China Sea. Block 29/26 is located approximately 350 kilometres south east of Hong Kong. The Liwan appraisal well was drilled to a total vertical depth of 3,887 metres below sea level.

“We are very encouraged by the results from the first delineation of the Liwan field. These results confirm the Liwan field as a major offshore gas discovery in China,” said Mr. Lau. “The information provides key data input for the Front-end engineering design (FEED), which will commence soon. The Liwan Development Project demonstrates our long-term strategy to grow our business in China while contributing to the country’s energy needs.”

The objective of the well was to characterize the main Liwan reservoir and assist in proving the estimated gas in place. Extensive geological, core and reservoir engineering data were collected. Evaluation and analyses will be conducted to clarify the extent of the discovery and determine the flow capacity of the reservoir. The well flowed at an equipment restricted rate of 53 million cubic feet per day indicating future deliverability could be in excess of 150 million cubic feet per day thus providing further evidence of Liwan 3-1 as a major gas discovery.

The Liwan 3-1-2 appraisal well location was selected and drilled from 3-D seismic data interpretation. The well was drilled on a large structure with 55 square kilometres of mapped closure. The well, which was logged, encountered 36 metres of net gas pay over the main reservoir zone. The 3-D seismic interpretation prior to drilling the well indicated a direct hydrocarbon response at the Liwan 3-1-2 location which the Company’s analysis indicated was present over a majority of the 55 square kilometre closure.

Husky has chartered the *West Hercules* deepwater drilling rig for three years with extension options. Upon completion of this current well, the rig will drill a second appraisal well before moving on to drill additional exploration wells in the area. The FEED work for the Liwan Development Project is being prepared for tender and is expected to begin once results are obtained from the next appraisal well.

Husky has been exploring offshore China since 2002. Husky is the Operator and signed the production sharing agreement with China National Offshore Oil Corporation (CNOOC) for Block 29/26 in August 2004. The original Block which is 3,965 square kilometres in area is one of six exploration blocks held by Husky in the South China Sea. Husky also holds one exploration block in the East China Sea. CNOOC has the right to participate in the development for up to 51 per cent working interest.

Husky Energy is one of Canada's largest integrated energy and energy related companies operating upstream, midstream and downstream segments. Husky is headquartered in Calgary, Alberta and is publicly traded on the Toronto Stock Exchange under the symbol HSE. More information is available at www.huskyenergy.com.

Forward Looking Information: Certain statements contained in this news release constitute forward looking statements or information (collectively, "forward looking statements") within the meaning of applicable securities legislation. These forward looking statements relate to future events or Husky's future performance. The use of any of the words "could", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward looking statements and are based on Husky's current belief or assumptions as to the outcome and timing of such future events, and in this news release include references to estimates of future deliverability, drilling plans for the West Hercules and the timing of the commencement of the FEED for Liwan. Actual future results may differ materially. Although the Company believes that the expectations reflected by the forward-looking statements presented in this release are reasonable, the Company'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 the Company 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 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, 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.

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Investor Inquiries please contact:

Sharon Murphy
General Manager,
Corporate Communications & Investor Relations
Husky Energy Inc.
403-298-6096

Patrick Aherne
Manager, Investor Relations
Husky Energy Inc.
403-298-6817

Media Inquiries please contact:

Graham White
Corporate Communications
Husky Energy Inc.
403-298-7088

