

October 28, 2010

Husky Receives Madura Strait Production Sharing Contract Extension

Calgary, Alberta (Oct. 28, 2010) – Husky Energy is pleased to announce it has received approval from the Government of Indonesia for an extension to the existing Madura Strait Production Sharing Contract (PSC), originally awarded in 1982. The Madura Strait PSC includes the Madura BD and MDA fields, as well as numerous other prospects and leads.

The Madura BD field, which contains natural gas and natural gas liquids, is located in the Madura Strait, offshore East Java, Indonesia. The government approval provides a 20-year extension to the existing production sharing contract which would have expired in 2012.

“This production sharing contract extension provides the basis for advancing the Madura BD field towards development,” said John C.S. Lau, President & Chief Executive Officer, Asia Pacific. “The Madura BD field, together with our other discoveries offshore Indonesia and the South China Sea, represent growth opportunities to build a material oil and gas business in the region.”

Many of the requirements to bring the Madura BD field into production are in place. In 2007, Husky signed gas sales agreements with three local companies for the sale of 100 million cubic feet per day of natural gas production. In 2008, Husky reached an agreement with CNOOC to jointly develop the Madura BD field. A Plan of Development for the BD field has been approved by the Indonesian government, and front end engineering and design was completed in the second quarter of 2010.

Husky and its partner in the Madura Strait have each agreed to sell a 10 percent equity stake in Husky Oil (Madura) Ltd. to Samudra Energy Ltd., through its affiliate SMS Development Ltd. Following the completion of the sale, Husky and CNOOC will respectively hold a 40 percent equity interest in Husky Oil (Madura) Ltd., with the 20 percent balance held by Samudra Energy Ltd.

Husky Energy is an integrated energy company headquartered in Calgary, Alberta, Canada. Husky Energy is a publicly traded company listed on the Toronto Stock Exchange under the symbol HSE. More information is available at www.huskyenergy.com.

FORWARD LOOKING INFORMATION

*Certain statements in this press release are forward-looking statements or information (collectively “**forward-looking statements**”), within the meaning of the applicable securities legislation. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as: “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimated,” “intend,” “plan,” “projection,” “could,” “vision,” “goals,” “objective” and “outlook”) are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In particular, this news release includes forward-looking statements relating to the Company’s general strategic plans; the anticipated effect of the extension on Husky’s business, operations, and production. Although Husky believes that the expectations reflected by the forward-looking statements presented in this press release are reasonable, Husky’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 Husky 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 Information Form 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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For further information, please contact:

Investor Inquiries:

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

Rob McInnis
Manager, Investor Relations
Husky Energy Inc.
403-298-6817

Media Inquiries:

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