

# News Release

**July 10, 2002 – For Immediate Release**

## **Wenchang First Oil Bolsters Husky Energy's International Growth**

**Calgary, Alberta** – Husky Energy Inc. (Husky) and its co-partner, the China National Offshore Oil Corporation Ltd. (CNOOC), have successfully achieved first oil production from the Wenchang offshore project in the South China Sea.

Husky and CNOOC, operator of the Wenchang oil field project (13-1 and 13-2), are producing oil from two fixed platforms and the Wenchang Floating, Production, Storage and Offloading Vessel (FPSO), the "Nanhai Endeavour." The fields are located in the western Pearl River Mouth Basin, located about 400 kilometres southwest of Hong Kong and 140 kilometres east of Hainan Island.

"The Wenchang project proceeded on schedule and on budget as anticipated by Husky," said Mr. John C.S. Lau, President and Chief Executive Officer of Husky. "Cash flow from this project will support exploration activities for block 39-05, which is adjacent to this existing development project, as well as contribute to our other growth strategies in the area."

Husky has a 40 percent working interest in the Wenchang 13-1 and 13-2 fields, and has estimated proved reserves of 83 million barrels. The field peak production is projected to be 50,000 barrels of oil per day. Husky's share of production from Wenchang is expected to average 8,000 barrels of oil per day in 2002 and 20,000 barrels of oil per day at peak production. Husky estimates the total development cost to be US\$327 million, and estimates operating costs during peak production to be approximately US\$2 per barrel.

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

*Certain information in this release may contain forward-looking statements. Actual future results may differ materially. Husky's annual report to shareholders and other documents filed with securities regulatory authorities describe the risks, uncertainties and other factors, such as drilling results that could influence actual results.*

-30-

### **For further information please contact:**

Richard M. Alexander  
Vice President, Investor Relations &  
Corporate Communications  
(403) 298-6952

Michael Lawrence  
Senior Communications Advisor,  
Corporate Communications &  
Government Relations  
(403) 298-6587

### **For website information, please visit:**

<http://www.huskywenchang.ca>