

December 10, 2009

Husky Energy Announces Expansion of Retail Network

Calgary, Alberta (December 10, 2009) – Husky Energy Inc. (TSX: HSE), is pleased to announce that it has entered into an agreement with Suncor Energy Inc. and Suncor Energy Products Inc. to purchase 98 retail outlets in the Ontario market.

The acquisition of this retail network provides Husky with excellent exposure to this densely populated market. The addition brings the Company's total network of petrol stations to 571 covering British Columbia to the Ontario/Quebec border. The acquisition will establish Husky's position as one of the leading gas retailers in the competitive Southern Ontario market. The purchase is subject to approval by the Commissioner of Competition.

"This is an exciting development for Husky Energy," said John C.S. Lau, President & Chief Executive Officer of Husky Energy Inc. "These facilities are in proximity to our U.S. Refining assets and the downstream integration grows our presence in the highly urbanized and densely populated Ontario market from 30 stations to 128. It represents an attractive opportunity for our shareholders and further strengthens the Company's strategy of being a fully integrated oil and gas business."

Husky is one of Canada's largest fully integrated energy companies. In addition to being active in the exploration for oil and natural gas in Canada, the United States, offshore Greenland, and Southeast Asia, Husky has extensive midstream and downstream assets supplying refined products to consumers. The Company operates a Heavy Oil Upgrader and Asphalt Refinery in Saskatchewan and Alberta, a Canadian Refinery in Prince George (British Columbia) and US based Refineries in Toledo (50 percent working interest) and Lima (Ohio). Husky is also Western Canada's largest producer of ethanol, which is used for blending into cleaner burning fuels at facilities in Saskatchewan and Manitoba.

"This acquisition represents a tremendous synergy between our production and refining assets and our goal to grow the Husky brand in the Canadian market," said Mr. Lau.

Suncor agreed to divest the retail gas stations under an agreement with the Commissioner of Competition in July as part of its merger with Petro-Canada.

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

FORWARD LOOKING STATEMENTS

Certain statements in this document 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, the forward-looking statements in this news release

include: Husky's general business plans regarding its retail operations. Although Husky believes that the expectations reflected by the forward-looking statements presented in this document 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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Background

Growing the Husky Brand in Ontario

Husky has proudly served the Ontario market for over 30 years, through its 30 retail sites, including 18 full feature Travel Centres located on Ontario's major highways. The Company sees value for its integrated strategy in increasing its presence and brand recognition in the densely populated region.

Suncor agreed to divest the retail gas stations under an agreement with the Commissioner of Competition in July as part of its merger with Petro-Canada. The Commissioner required the divestitures in order to maintain a competitive retail market in Southern Ontario. The sale of these stations to Husky is subject to the approval of the Commissioner.

Under the purchase agreement, Husky will acquire 68 stations that are branded Sunoco and 30 stations that are branded Petro-Canada. Husky's station count will grow from approximately 1.8 percent to 7.9 percent of the overall Ontario market. These stations are located in an approximate 640 kilometers (400 miles) distance of Husky's US based refining assets in Lima and Toledo, Ohio.

As part of its due diligence, Husky conducted extensive environmental evaluations of the sites being acquired. Subsurface and groundwater tests were conducted at all locations by Suncor and Husky is confident in the current and future operational integrity.

Husky intends to begin the process of converting stations to Husky signage in the second quarter of 2010 and implementing Husky products and services.

This acquisition will increase the total Husky Canadian site count to 571 and improves Husky's expected efficiencies by spreading fixed costs. It provides an excellent base for further retail expansion in the largest Canadian petroleum market.

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