

News Release

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Husky Energy Announces Prince George Oil Refinery Upgrade

Prince George, B.C., Canada – Husky Energy announced today that it will proceed with upgrading its Prince George Oil Refinery to produce low sulphur gasoline and diesel fuels that meet the Government of Canada's new fuel specifications. The estimated project cost will be \$73 million (Cdn) and the facility is anticipated to be on-stream by the second quarter of 2005.

"Husky Energy is committed to continuous improvements in its operations facilities," said Mr. John C.S. Lau, President & Chief Executive Officer of Husky Energy. "This investment in the Prince George Refinery complements our position as a responsible manufacturer and marketer of environmentally friendly fuels," said Mr. Lau.

Mr. Lau further stated that, "the investment in upgrading the facility will make economic sense as Husky will not need to purchase an alternate fuel supply, and it will enhance Husky's Refined Products division's return on investment."

The British Columbia Government has been a strong proponent of the project. B.C. Minister of Energy and Mines, Richard Neufeld stated, "Husky Energy has demonstrated its continued high level of environmental responsibility, including its ongoing commitment to clean fuel and clean air. The province is committed to encouraging opportunities for oil and gas industry investment in all regions of the province."

"This is a significant investment in the region," said Shirley Bond, MLA for Prince George - Mount Robson. "The completion of the Husky Energy project is good for the local economy and it will help improve air quality in B.C."

"Husky Energy's substantial investment in upgrading its Prince George Oil Refinery will mean new construction jobs and investment for Prince George," stated Pat Bell, MLA for Prince George North. "This is another clear indication that the Prince George economy is continuing to rebound."

Prince George Mayor Colin Kinsley applauded Husky's decision. "On behalf of the City of Prince George, I am pleased to see this vote of confidence by Husky Energy in our City, its future and its people. Good corporate citizens like Husky are part of what makes Prince George such a desirable place to live. Cleaner air will add to our great quality of life."

The Prince George Refinery currently produces in excess of 10,000 barrels per day of gasoline and diesel. With this upgrade expansion, production at the facility could increase to 12,000 barrels per day. Husky Energy has positioned itself in Canada in the development of ethanol-blended fuel and has received government recognition for the low combustion emissions of its ethanol-blended gasoline. The upgraded facility provides an opportunity for Husky to grow its ethanol blended fuel business in B.C.

SNC-Lavalin, an engineering and construction firm with strong project management and construction experience has been appointed by Husky to provide detailed design and construction management for this project.

Husky Energy is a Canadian based integrated energy and energy related company headquartered in Calgary, Alberta. Husky Energy is publicly traded 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 changes in business plans that could influence actual results.

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