

December 8, 2009

Husky Announces another Significant Gas Discovery in the South China Sea

Calgary, Alberta (December 8, 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 made another significant gas discovery on Block 29/26 in the South China Sea.

The LH34-2-1 and LW3-1-1 exploration wells are Husky's significant gas discoveries on Block 29/26 in the South China Sea.

The West Hercules deepwater drilling rig recently completed the drilling and testing of the LH 34-2-1 exploration well. This well was drilled 23 kilometres northeast of the Liwan 3-1 Gas Field in a water depth of 1145 metres and encountered a significant thickness of excellent quality, gas charged reservoir. The well tested natural gas, with a high liquids yield, at an equipment restricted rate of 55 million cubic feet (mmcf) per day, with indications that the well's future deliverability could exceed 140 mmcf per day. The well is similar in character to the Liwan 3-1 wells.

"This exciting exploration discovery, combined with the development of the Liwan 3-1 Field, is a significant milestone towards our goal of strategic commercial development and production from this promising area," said Mr. Lau. "We are very encouraged that our geological predictions regarding the potential of this area are being validated by our drilling program. Combined with our recent oil discovery announcement at White Rose in Newfoundland's offshore, the successful LH34-2-1 exploration well positions Husky for further high impact exploration in the offshore."

The front end engineering design (FEED) for the Liwan 3-1 Field Development Project is at an advanced stage and the LH 34-2 Field will be tied into the planned offshore infrastructure. Husky expects the plan of development for the Liwan 3-1 Field to be submitted to the regulatory authorities in early 2010. First gas production is targeted to be in the 2013 timeframe.

Currently, the West Hercules deepwater drilling rig is preparing to spud another exploration well on Block 29/26 in the South China Sea. In addition, the Company is planning an appraisal well in early 2010 to determine the full potential of the LH34-2 field.

Husky started exploring in offshore China in 2002. Husky signed a Petroleum Contract for Block 29/26 in 2004, which is 2,230 square kilometres in area. The Liwan 3-1 natural gas field was discovered in June, 2006. Under the petroleum Contract, CNOOC Limited has the right to participate in the Liwan development for up to 51 percent working interest. In addition, Husky holds a 40 percent working interest in a production block at the Wenchang oil field and 100 percent working interest in two other exploration blocks offshore China.

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. More information is available at www.huskyenergy.com.

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: future well deliverability for the LH 34-2-1 exploration well, exploration plans for Block 29/26, and development plans and gas production timeline for the Liwan 3-1 Field Development Project. 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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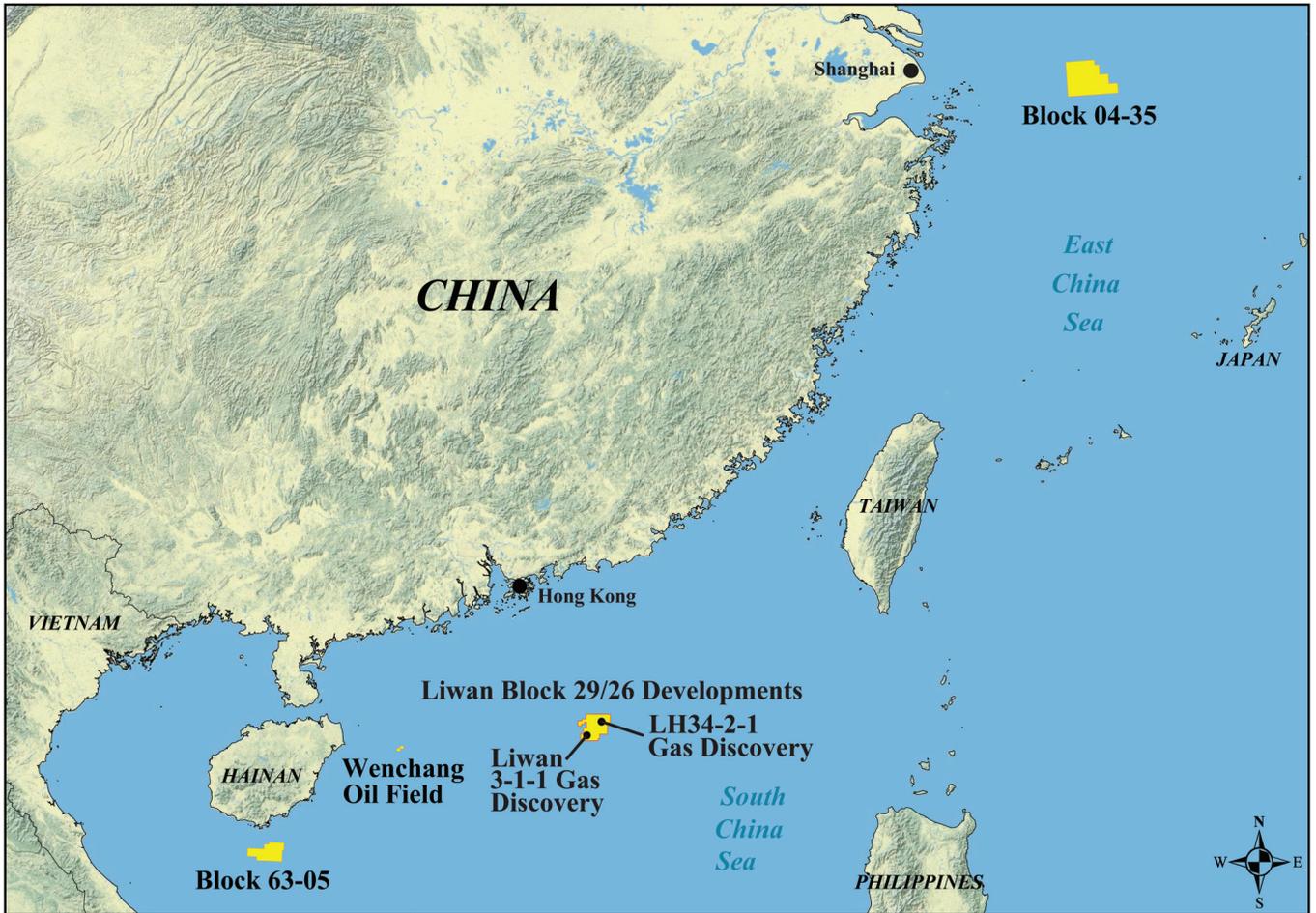
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South & East China Sea - Husky Interest Land Blocks

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