

News Release

Calgary – June 22, 2001 – For Immediate Release

**CNOOC/HUSKY WENCHANG PROJECT ON SCHEDULE AND ON BUDGET
– FPSO HULL LAUNCHED TWO WEEKS EARLY**

Husky Oil China Ltd. announced today that the FPSO (floating, production, storage and offloading vessel) hull for its Wenchang project, "Nanhai Endeavor," was successfully launched this week – two-weeks ahead of schedule.

The building of the FPSO was contracted to Dalian New Shipyard. The China National Offshore Oil Corporation (CNOOC) holds a 60% working interest in the Wenchang project. Husky holds the remaining 40%.

"The Wenchang project in China is proceeding on schedule and on budget," said Mr. John C.S. Lau, President & CEO of Husky. "Development drilling was completed late last month, and actual production is scheduled to start up in the second quarter of 2002. We're very pleased with the progress we're making."

The Wenchang oil fields are located in Yangjiang 31 and 32 blocks of the Western South China Sea, 136 kilometers east of Hainan Island. The "Nanhai Endeavor" is a turret-moored FPSO designed for typhoon populated areas. With a capacity of 150 thousand dead weight tons, it will play a vital role in the development of the Wenchang oil fields.

The integration of the FPSO topsides and hull will be completed during the third and fourth quarter of 2001, with the installation of the FPSO and the wellhead platform scheduled for the fourth quarter of 2001.

Oil production for the project is estimated to have an approximate peak production rate of 50,000 barrels per day. Independent consultants have estimated recoverable reserves at approximately 100 million barrels for the Wenchang fields.

Husky Oil China Ltd. is one of the Husky Energy Inc. companies. Husky Energy is a Canadian-based, integrated energy and energy-related company headquartered in Calgary, Alberta. Husky Energy is a publicly traded company whose shares trade on the Toronto Stock Exchange under the symbol HSE.

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International

WENCHANG


Husky Energy

Husky holds interests in China, Indonesia and Libya and is pursuing other synergistic opportunities in South East Asia.

China

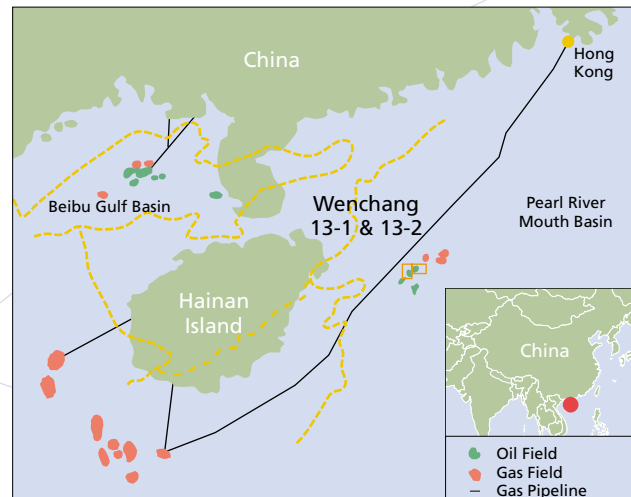
Husky Oil China Ltd., a wholly-owned subsidiary of Husky, signed a petroleum contract with the China National Offshore Oil Corporation in October 2000 to develop two high-quality oil fields in the South China Sea. Located in the western Pearl River Mouth Basin, approximately 300 kilometres south of Hong Kong and 136 kilometres east of Hainan Island, the Wenchang 13-1 and 13-2 fields, are estimated to contain about 100 million barrels of reserves.

Husky holds a 40% interest in the fields, which are expected to achieve peak production of 50,000 barrels of oil per day (20,000 barrels of oil per day net to Husky) following start-up planned for the first half of 2002. The Wenchang fields will be produced

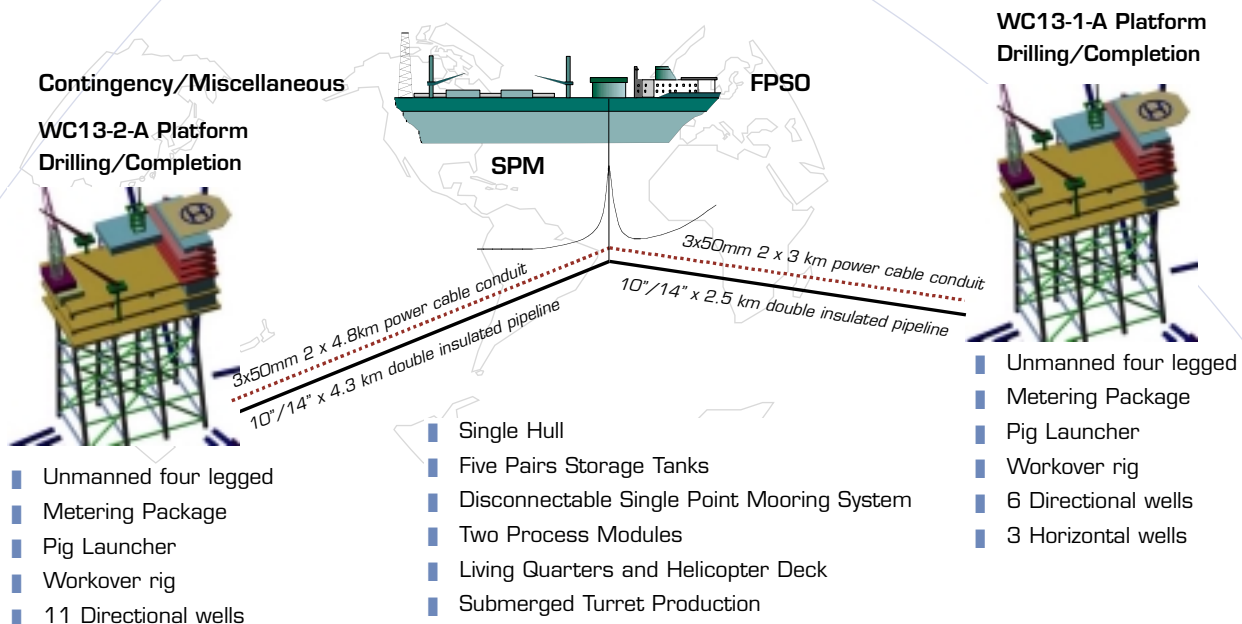
from fixed platforms in water 100 metres deep, into a floating production storage and offloading vessel (FPSO) stationed between the fields. Development drilling and fabrication of the production facilities are underway. Husky has allocated \$100 million to the Wenchang project in its 2001 capital budget.

Summary

- Total Field Development Cost US\$300 MM
- Husky's 40% Working Interest
- Location: South China Sea, 140 km from shore, 120 m water depth



South China Sea





Wenchang FPSO Hull Launching Ceremony



Wenchang FPSO Hull Launched
Two Weeks Early