News Release

March 28, 2002 - For immediate release

Owners Approve White Rose Oilfield Development

Calgary, Alberta - Husky Oil Operations Limited, operator of the White Rose oil field project and its co-venturer, Petro-Canada today announced their decision to proceed with the development of the White Rose oilfield located offshore the East Coast of Newfoundland and Labrador, Canada.

"After reviewing the government's decision report and finalizing contractual and project execution arrangements, we are pleased to be in a position to move forward with the development of White Rose," said John Lau, President and Chief Executive Officer of Husky.

"The owners have invested considerable time and money in developing a very detailed and careful execution strategy for the project. White Rose is a good investment for the owners and stakeholders alike and will generate materially significant revenues and benefits for Newfoundland and Canada."

The White Rose development plan is focussed on a "purpose-built" Floating Production Storage and Offloading (FPSO) vessel with a peak production rate of approximately 100,000 barrels of oil per day. Current plans provide for a total of 19 to 21 wells to recover between 200 and 250 million barrels of oil over a 10 to 15 year period. Peak production is expected to be approximately 92,000 barrels per day sustained for about four years. It is anticipated that the field will achieve first oil by the end of 2005.

Development costs will be approximately $2.35 billion Cdn with costs to first oil being less than $2 billion Cdn. Moreover full field operating costs are expected to be in the order of $2 billion Cdn. over the 15-year life of the field. During the peak production years, operating costs are expected to average approximately $3.30 Cdn per barrel.

The operators have executed an agreement with Aker Maritime Kiewit Contractors (AMKC) for the completion of the topsides fabrication. The awarding of the other main contracts will be finalized and announced shortly. Excavation of the subsea Glory Holes is scheduled to begin in the field in the third quarter, 2002, and development drilling is expected to commence in the first half of 2003.

"With Hibernia and, more recently, Terra Nova now both in production, White Rose will be the third offshore East Coast project for the province. This will allow us to fully utilize and build on the local business community and increasingly skilled local workforce. White Rose will be an important contributor to the growing oil and gas industry in Canada and Newfoundland and Labrador," added Mr. Lau.

The owners of the White Rose development are: Husky Energy as Operator, through its wholly owned subsidiary Husky Oil Operations Limited, which owns 72.5% and Petro-Canada, which owns 27.5%.

The White Rose oil field is located in the Jeanne d'Arc Basin on the Grand Banks approximately 350 kilometres east of St. John's, Newfoundland. The South Avalon pool, the primary site under development, was discovered in 1988.

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.

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, and estimated amounts and timing of capital expenditures that could influence actual results.

For background information, please visit:

www.huskyenergy.ca/news/releases/WhiteRoseSanction-Mar28.pdf or
www.huskywhiterose.com

- 30 -

For additional information, please contact:

Media:

Michael Lawrence
Corporate Communications
Husky Energy
Calgary, AB
(403) 298-6587

Margaret Allan
Public Relations
Husky Energy
St. John's, NF
(709) 724-3981

Investors & Analysts:

Richard M. Alexander
Vice President, Investor Relations & Communications
Husky Energy
Calgary, AB
(403) 298-6952

Husky Energy Inc. - White Rose Backgrounder

The White Rose field is located 350 km east of St. John's, Newfoundland, on the eastern portion of the Jeanne d'Arc basin in water depths between 115 and 130 meters. Husky Oil Operations Limited, a subsidiary of Husky Energy Inc., is the operator of the field. Husky holds a 72.5% interest and Petro-Canada holds the remaining 27.5% interest.

Husky and Petro-Canada filed a development application with Canada Newfoundland Offshore Petroleum Board in January 2001. Following formal public review hearings the project had received the requisite approvals by December 2001 from the Canada Newfoundland Offshore Petroleum Board, Provincial Government and Federal Government.

The White Rose field is separated into three pools, the North, West and South Avalon pools. Initial development of White Rose focuses on the South Avalon oil pool, discovered in 1988 with the E-09 well which encountered over 90 meters of oil pay and tested at over 5,000 barrels per day. The South Avalon pool is estimated to contain 200 to 250 million barrels of recoverable oil reserves which will be recovered with the initial 19-21 well development plan involving eight oil production wells, 11 water injection wells and two gas injection wells in the North Avalon pool.

During 2001 Husky awarded the front end engineering design contracts for a floating production storage and offloading (FPSO) system, the subsea production system and the glory hole, a deep excavation in the sea bed to protect well heads. A contract was later entered into for the design and construction of the glory hole long lead excavation equipment. Lump sum bids were received for the FPSO system contracts (comprising of hull, topsides and turret).

Peak production rates of 100,000 barrels per day (92,000 barrels per day annual average) of 30 degree API oil will be produced from the subsea production wells via flowlines, to production facilities installed on a new build rapidly disconnectable steel FPSO with 940,000 barrels of oil storage capacity. Oil will be offloaded on to a shuttle tanker for delivery to market either directly or via a transshipment facility.

Peak production rates are expected for a four year period and the estimated total production life is 15 years. White Rose production facilities will be designed for a 20 year life, allowing adequate time for full depletion of the South Avalon pool and opportunities to develop nearby ancillary oil pools.

Produced natural gas from the field (estimated at 150 million cubic feet per day) will be used as fuel for production facilities, and as artificial lift into production wells when required. Excess produced gas will be conserved by injection into two wells in the North Avalon gas cap.

The estimated project capital cost to first oil is less than $2.0 billion with total project cost forecasted at $2.35 billion. The FPSO costs will be approximately $1.1 billion. Drilling, subsea and project management costs to first oil will be approximately $0.8 billion and an additional $0.45 billion is to be spent after first oil.

Capital expenditures expected for 2002 will exceed $0.5 billion (72.5% of which are Husky's share).

The project milestones for the project are as follows:

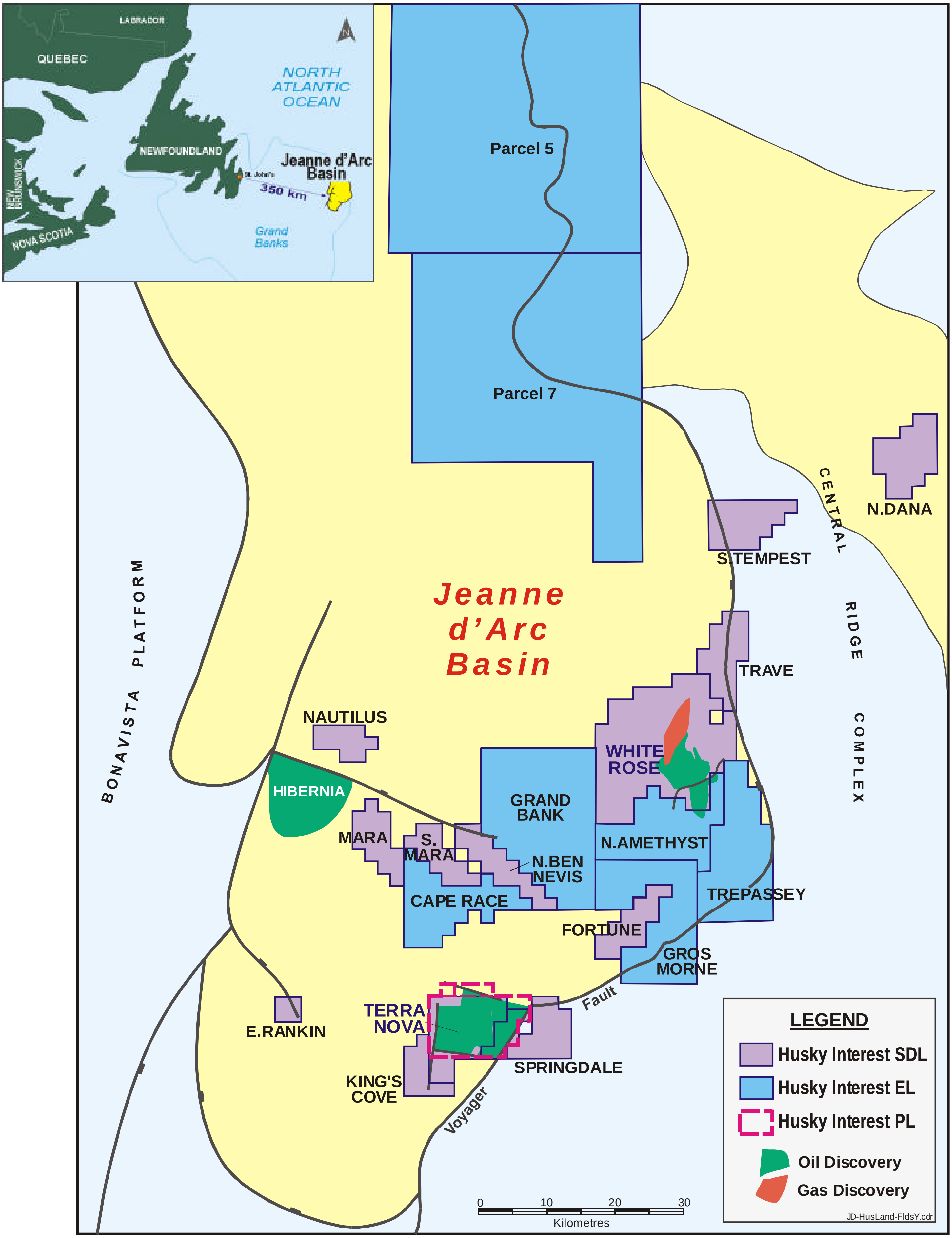
Milestone	**Timeframe**
Glory hole excavation	Q3 2002
Topsides Fabrications commences	Q3 to Q4 2002
Hull fabrication commences	Q4 2002
Development drilling commences	Q1 to Q2 2003
Vessel sails for integration yard	Q1 2004
FPSO Sails for White Rose	Q2 to Q3 2005
First Oil	Q3 to Q4 2005

Markets for the produced oil at White Rose are primarily US refiners on the East Coast. Oil is expected to be priced off Brent crude oil. The options for transportation of White Rose oil are currently being evaluated.

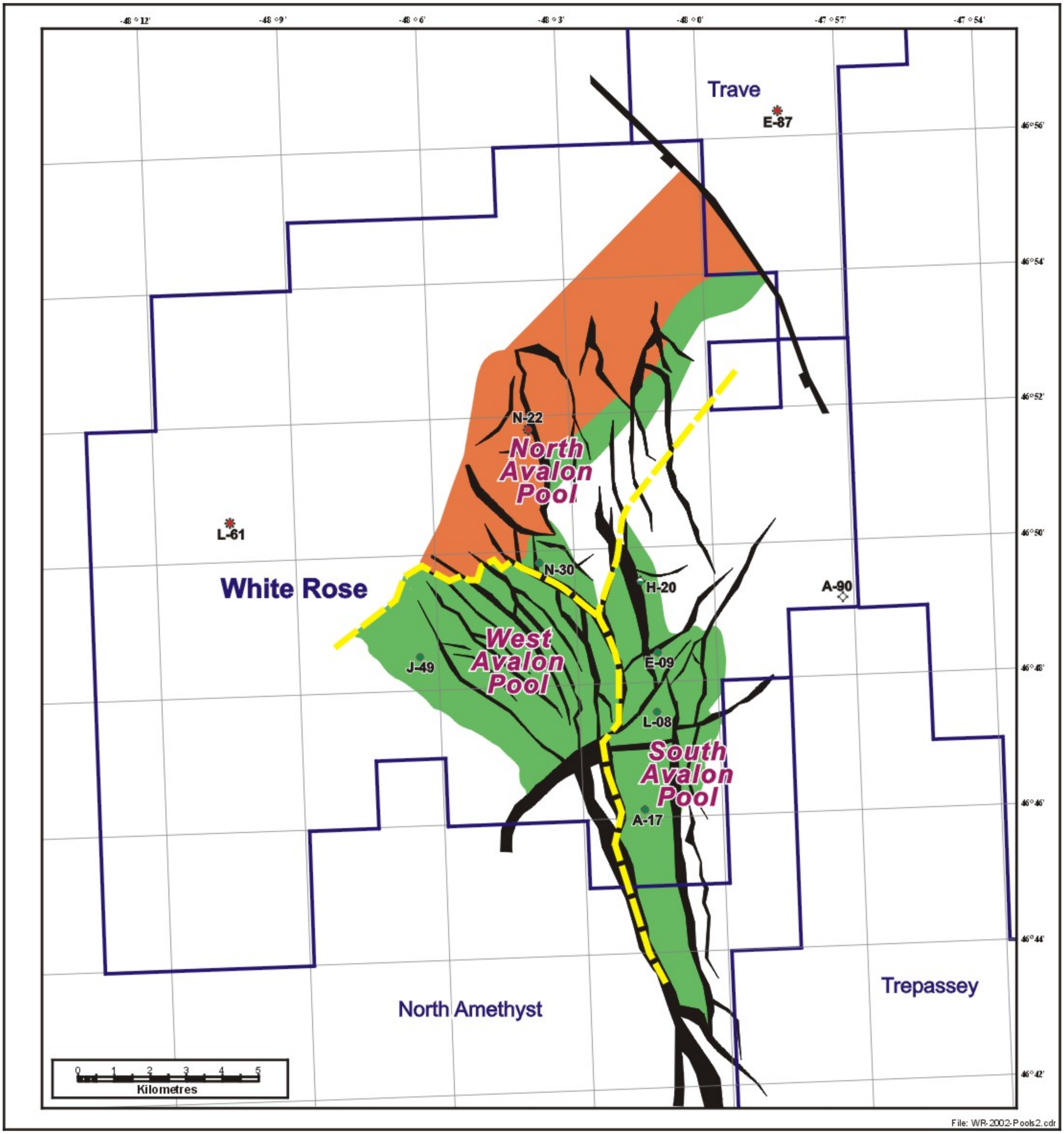
Royalties are most likely to be subject to the generic royalty regime, which is not yet legislated but expected to come into force soon.

Operating costs over the life of the field are estimated at $2.0 billion. During the peak production years, operating costs are expected to average approximately $3.30 per barrel.

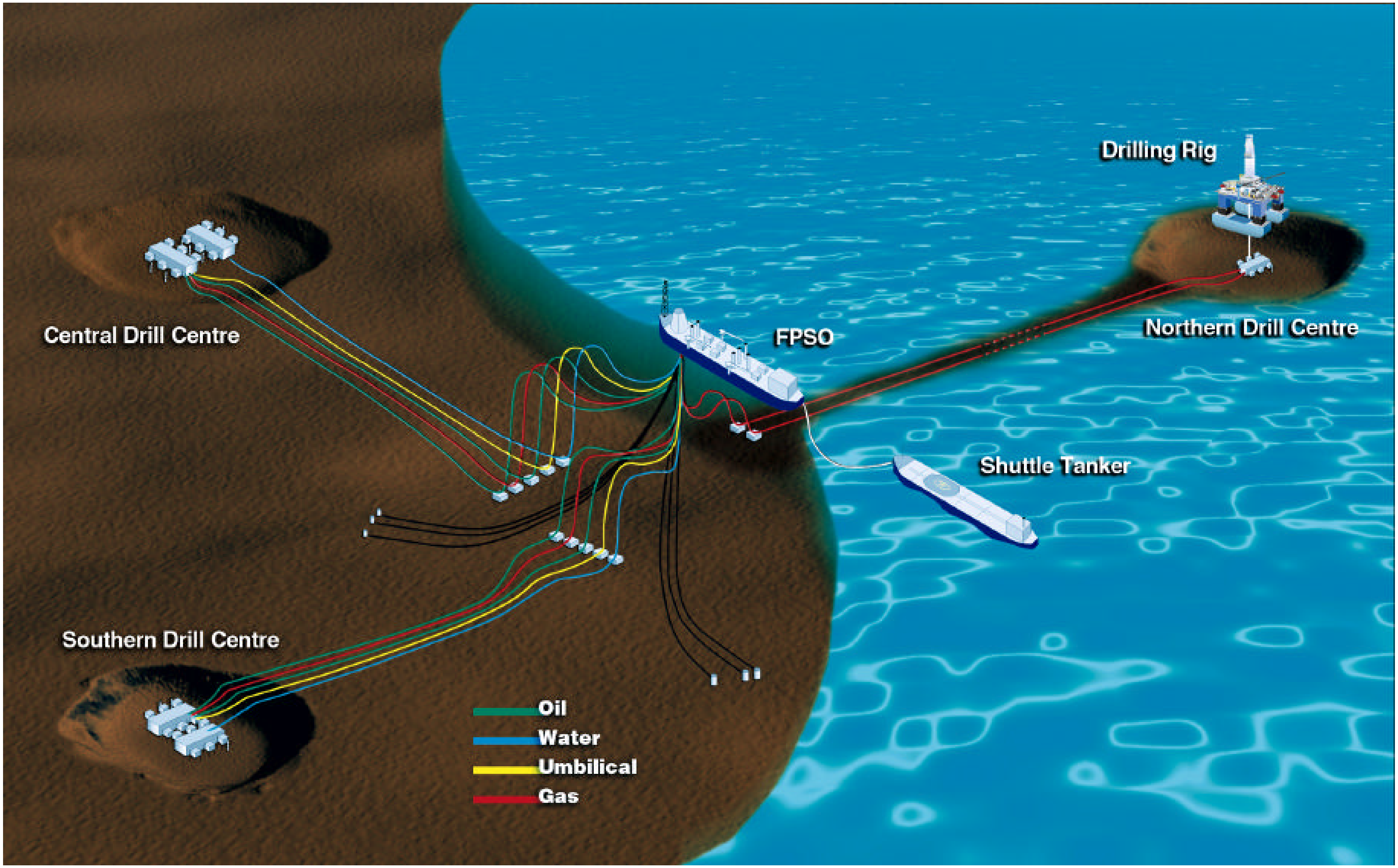
Husky plans to drill two to three exploration wells in near proximity of the White Rose field in the next two years.



LABRADOR
QUEBEC
NORTH ATLANTIC OCEAN
NEWFOUNDLAND
NEW BRUNSWICK
NOVA SCOTIA
St. John's
350 km
Jeanne d'Arc Basin
Grand Banks
Parcel 5
Parcel 7
Jeanne d'Arc Basin
BONAVISTA PLATFORM
CENTRAL RIDGE COMPLEX
N.DANA
S.TEMPEST
TRAVE
NAUTILUS
HIBERNIA
WHITE ROSE
GRAND BANK
MARA
S. MARA
N.BEN NEVIS
N.AMETHYST
CAPE RACE
TREPASSEY
FORTUNE
GROS MORNE
E.RANKIN
TERRA NOVA
SPRINGDALE
KING'S COVE
Voyager Fault
0 10 20 30
Kilometres
LEGEND
Husky Interest SDL
Husky Interest EL
Husky Interest PL
Oil Discovery
Gas Discovery
JD-HusLand-FldsY.cdr



Trave
E-87
L-61
N-22
North Avalon Pool
White Rose
N-30
H-20
A-90
West Avalon Pool
J-49
E-09
L-08
South Avalon Pool
A-17
North Amethyst
Trepassey
0 1 2 3 4 5
Kilometres
File: WR-2002-Pools2.cdr


Drilling Rig
Central Drill Centre
FPSO
Northern Drill Centre
Shuttle Tanker
Southern Drill Centre
Oil
Water
Umbilical
Gas