

# News Release

For immediate release

September 10, 2002

## Husky Energy Commences Regulatory Process For Tucker Thermal Project

**Calgary, Alberta** – Husky Energy Inc., through its wholly-owned subsidiary, Husky Oil Operations Limited, has submitted a public disclosure document to the Alberta Energy and Utilities Board (EUB) and Alberta Environment for its proposed Tucker Thermal Project. Husky is required to submit the document to the EUB and Alberta Environment to initiate a review of the project in principle, including the form, timing, location or any other essential feature of the proposal. Subject to the regulatory review of the public disclosure document, Husky plans to submit a commercial project application in early 2003.

Prior to filing applications with regulators, discussions with the public and other interested parties will be held to identify and address issues as part of the project consultation.

Husky owns a lease near Tucker Lake in the Cold Lake, AB. region. After delineation drilling last year and evaluating steam assisted gravity drainage (SAGD) technology, Husky is now proposing a commercial project. This development will incorporate multi-well production pads and horizontal wells, with centralized oil treating and produced water-recycling facilities. Husky's current estimate of recoverable reserves is 250 million barrels and the project is expected to produce 30,000 barrels of oil per day for a 25-year period starting in 2005.

"Husky expects that the development of its thermal assets in Western Canada over the next decade will form an important part of its growth strategy," said Mr. John C.S. Lau, President and Chief Executive Officer of Husky. "We believe that current technology will allow for the economic recovery of this resource."

The SAGD technology that Husky is proposing significantly improves bitumen recovery rates. Steam is continuously injected into a reservoir to heat the bitumen. The heated bitumen and condensed steam drain to a lower horizontal well and are produced to the surface. Water for steam generation will come from non-potable saline water sources. Approximately 90 per cent of the water used for steam will be recycled. The balance of process water required will also come from non-potable sources.

Husky Energy Inc. is a Canadian-based integrated energy and energy-related company headquartered in Calgary, Alberta. Husky is a publicly traded company with shares trading 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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