

News Release

November 14, 2002

Husky Energy Reports Successful Development of Shackleton Gas Play

Calgary, Alberta - Husky Energy Inc. (Husky) today announced that a significant natural gas discovery in Saskatchewan is expected to add 75 billion cubic feet of proved natural gas reserves in 2002 as a result of a successful land acquisition and development program. The Shackleton play, located 80 miles northwest of Swift Current, will add 20 million cubic feet per day to Husky's natural gas production by December. Successful area development could increase Husky reserves to 250 billion cubic feet over the next two to three years.

"Shackleton has emerged as an important new gas development for Husky, which will contribute to our production in 2002," said John C.S. Lau, President and Chief Executive Officer. "We have been successful in recent land sales to support an already strong base in the region."

Husky has acquired a land inventory in the Shackleton area of more than 400 sections, which comprise of approximately 300,000 acres. The Company plans to complete a 170-well development drilling program covering 85 sections by year-end. Husky has completed two gathering and compression systems to develop the Shackleton field. One system is designed to handle up to 18 million cubic feet per day and the other will handle up to 12 million cubic feet per day. Initial sales of 16 million cubic feet per day at present are expected to increase to 20 million cubic feet by December.

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 drilling results that could influence actual results.

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Background information: <http://www.huskyenergy.ca/news>

Background – Shackleton Gas Development

The Shackleton natural gas development is located 80 miles northwest of Swift Current, Saskatchewan. It is expected to add 75 billion cubic feet to Husky's proved reserves in 2002.

Exploration was done in this region in the 1960s, but this relatively shallow gas reserve area was missed as producers were drilling for much deeper oil plays. New drilling techniques and better geological information led to the discovery of the Shackleton reserve.

The area is part of the geologic formation known as the Milk River Formation. The formation is a northward tapering sandy classic wedge, comprised of a series of coarsening upward distal marine sands. The sand layers are characterized by low permeability clay-rich sands containing what is considered to be locally generated biogenic gas. The formation is found at a depth of 1,200 feet.

Other Information:

- The development was discovered in 1999.
- Delineation drilling during 2000 and 2001 proved up the Milk River potential with wells testing between 50-300 thousand cubic feet per day. Improved completion techniques in the third quarter of 2002 enhanced production capacity.
- Productivity of the wells has ranged from 250 thousand cubic feet per day to 2 million cubic feet per day.
- Husky has been active in building a substantial land base in the Shackleton area. Landholdings in the area total approximately 300,000 acres.
- Husky's initial plans included the drilling of 75 development wells and the installation of compression facilities to deliver 8 – 12 million cubic feet per day. Continued completion success, with higher than normal productivity, resulted in a modified development plan in late July, 2002, expanding the development to 170 planned wells and facilities to deliver 20 to 30 million cubic feet per day.

