

News Release

For immediate release

December 6, 2002

Husky Energy Continues South China Sea Expansion

Calgary, Alberta – Husky Energy Inc. announced today that it has signed another petroleum contract with China National Offshore Oil Corporation (CNOOC) for the 40/30 block in the Pearl River Mouth Basin of the South China Sea. The block is located 100 kilometres south of the Wenchang 13/1 and 13/2 oil fields, and 400 kilometres southwest of Hong Kong. The new block is 6,704 square kilometres (approximately 1.7 million acres) in size, in water depth averaging 600 to 1,500 metres. A single exploration well is required on the block in the first three years of the contract.

“Our interests in the South China Sea are a key component of Husky’s long-term growth strategy,” said Mr. John C.S. Lau, President and Chief Executive Officer of Husky Energy. “The 40/30 block is our fifth petroleum contract with CNOOC and provides Husky with a deep water exploration play to diversify our development and exploration portfolio in China.”

In September, 2002 Husky announced that it had signed petroleum contracts for two exploration permits in the shallow water Beibu Wan Basin, north of Hainan Island, and within 80 kilometres of the Weizhou oil fields. Husky holds a 100 percent interest and is the operator of all its South China Sea exploration blocks. CNOOC has the right to participate in any development programs with a 51 percent interest.

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 contained in this release may contain forward-looking statements. Husky's annual report to shareholders and other documents filed with securities regulatory authorities describes the risks, uncertainties and other factors, such as changes to business plans, that could influence business reports.

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For additional information and maps, please see <http://www.huskywenchang.com>