

# News Release

February 16, 2004

## **Husky Energy Announces Plan to Build Major Ethanol Facility**

**Regina, Saskatchewan** – Husky Energy announced today that it would proceed with the construction of a major ethanol facility adjacent to its heavy oil Upgrader at Lloydminster, Saskatchewan. The plant is scheduled to be operational by the end of 2005. The new ethanol plant would be the largest in western Canada and have an annual production capacity of 130 million litres. The plant will cost approximately \$90-\$95 million to build.

“Husky Energy is committed to continually improving fuel quality and expanding its operations to meet consumer demand,” said Mr. John C.S. Lau, President & Chief Executive Officer of Husky Energy. “Husky’s goals for this expansion are to make cleaner fuels and to provide ethanol for the refining industry. This initiative will also support our current program of ethanol-blended fuels marketed under our Mother Nature’s Fuel brand,” said Mr. Lau.

Ethanol is an oxygenate derived from biologically renewable sources, such as grain, corn or wood waste. When added to gasoline, ethanol promotes fuel combustion, raises octane levels and prevents fuel line freezing. The use of ethanol-blended fuel also reduces carbon monoxide emissions, ozone precursors and net emissions of greenhouse gases. The federal government agency Environment Canada has designated ethanol-blended gasoline as an Environmental Choice product.

“This is a significant investment in Saskatchewan, in the region, and in Lloydminster,” said The Honourable Lorne Calvert, Premier of Saskatchewan. “It is a major step towards our goal of growing the economy in a ‘green’ and sustainable way. In addition to the environmental benefits arising from ethanol use, this facility also provides a new market for Saskatchewan grain farmers. It means cleaner fuel and more jobs. We are extremely pleased to see this major expansion in our biofuels production.”

Mr. Lau commended the Saskatchewan provincial government and the Federal government for demonstrating the commitment required to reduce Canada’s greenhouse gas emissions. “Both levels of government should be congratulated for delivering on their commitment to the economy and the environment,” Mr. Lau said.

Husky Energy has established itself in the market development of ethanol-blended fuel, and has received government recognition for the low combustion emissions in its ethanol-blended fuel. Ethanol-blended gasoline is available at Husky and Mohawk branded service stations across Canada.

*Husky Energy is a Canadian-based integrated energy and energy related company headquartered in Calgary, Alberta. Husky Energy is publicly traded 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 in the estimated amounts and timing of capital expenditures, that could influence actual results. Husky assumes no obligation to update forward looking statements should circumstances or management’s estimates or opinions change.*

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For more information, please contact:

Dennis Floate  
Senior Communications Advisor  
Husky Energy Inc.  
(403) 298-6587

Colin Luciuk  
Manager, Investor Relations  
Husky Energy Inc.  
(403) 750-4938