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For immediate release

Husky Energy Announces 2005 Capital Expenditure and Production Guidance

Calgary, Alberta – Husky Energy Inc. announced today a capital expenditure program of \$2.5 billion for 2005. The program supports continued progress on several major projects, including the White Rose offshore oil project on Canada's East Coast, and the development of upstream assets in Western Canada and offshore China.

"Our capital expenditure program reflects Husky's long-term vision and its strong financial position," said Mr. John C.S. Lau, President and Chief Executive Officer, Husky Energy Inc. "The next 12 months will be important in that we anticipate the successful completion of the White Rose offshore project. We will also be continuing construction of the Tucker oil sands project and a new 130-million litre per year ethanol facility in Lloydminster."

(\$millions)	Guidance 2004	Forecast 2004	Guidance 2005
Upstream			
Western Canada	\$955	\$1,190	\$1,130
Western Canada Exploration	150	165	180
East Coast	585	465	460
International	<u>65</u>	<u>30</u>	<u>40</u>
	1,755	1,850	1,810
Midstream	100	95	140
Refined Products	150	100	125
Corporate	<u>30</u>	<u>25</u>	<u>25</u>
	2,035	2,070	2,100
New Projects			
Oil Sands	45	55	330
Ethanol Plants	-	15	115
Acquisitions/divestitures	<u>-</u>	<u>135</u>	<u>-</u>
	<u>\$2,080</u>	<u>\$2,275</u>	<u>\$2,545</u>

Husky plans to invest \$2.1 billion in its upstream assets in 2005 with approximately \$1.3 billion in capital spending for Western Canada. The Western Canada program will focus on natural gas exploration in Alberta and B.C., heavy oil production growth in Alberta and Saskatchewan, and exploration activities in the Northwest Territories. An additional \$330 million is planned for oil sands projects, including \$310 million for the 30,000 to 35,000 barrel per day Tucker thermal project.

On Canada's East Coast, \$460 million in capital spending is planned for the White Rose offshore oil project, the majority of which will go towards the completion of the *Sea Rose FPSO*, the floating production, storage and offloading vessel which is being constructed in Marystown, Newfoundland and Labrador. Husky Energy owns 72.5 percent of the project and is the operator. First oil from the White Rose field is anticipated by late 2005 or early 2006 with peak production projected at 100,000 barrels of oil per day.

Internationally, Husky plans to spend \$40 million in 2005 on its interests in both the South China Sea and East China Sea, and in the Madura Strait offshore Indonesia.

In the Midstream and Refined Products segments, Husky plans to spend approximately \$380 million. The Company has begun construction of a 130-million litre per year ethanol facility adjacent to the Lloydminster Upgrader. It will also continue with debottlenecking work at the Upgrader to increase throughput from 77,000 to 82,000 barrels per day by the end of 2005; and will continue with its Clean Fuels Project at the Prince George Refinery, which will increase throughput from 10,000 to 12,000 barrels per day.

For the year 2005 production guidance, Husky estimates production of 325,000 barrels of oil equivalent per day to 350,000 barrels of oil equivalent per day. Light oil and natural gas liquids production is estimated to be 64,000 to 71,000 barrels per day; medium oil production is estimated to be 32,000 to 36,000 barrels per day; heavy oil production is estimated to be 112,000 to 120,000 barrels per day; and natural gas production is estimated to be 700 to 740 million cubic feet per day.

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, drilling results, the uncertainty of estimates and projections of future production, 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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