



July 4, 2005

For immediate release

Husky Energy Sailaway Ceremony for the White Rose Project

Marystown, Newfoundland and Labrador -- Husky Energy and the federal, provincial and local governments were at a ceremony commemorating the sailaway of the *SeaRose FPSO* (floating production, storage and offloading vessel) in the White Rose offshore oil project, the third offshore oil development on Canada's East Coast.

The ceremony highlighted a critical milestone regarding the readiness of the *SeaRose FPSO* to sail to the White Rose oil field, 350 km east of St. John's. Husky anticipates the *SeaRose FPSO* will depart Marystown within the next 30 days for offshore installation and production commissioning before the end of the year 2005.

"The construction phase of this project, including the international and Canadian components, has been very successful and completed on schedule," said Mr. John C.S. Lau, President and Chief Executive Officer, Husky Energy Inc. "We look forward to completing the next phase of the project and achieving first oil production later this year."

Mr. Lau was joined at the sailaway ceremony by His Honour, the Honourable Edward Roberts, Lieutenant Governor of Newfoundland and Labrador; the Honourable Danny Williams, Premier of Newfoundland and Labrador; and representing the Government of Canada, Mr. Bill Matthews, Member of Parliament for Random-Burin-St. George's.

"I am pleased to be here today to witness this significant achievement," said Premier Williams. "The White Rose project and the *SeaRose FPSO* stand as a testament to the strength, ingenuity, skill and dedication of purpose clearly demonstrated by working men and women from across this province. The province and its people will continue to benefit as this third major petroleum project comes on stream in our offshore. On behalf of the Government of Newfoundland and Labrador, I extend congratulations to Husky Energy and its partners on a job well done."

"I congratulate Husky Energy and everyone from Newfoundland and Labrador and beyond who worked to successfully complete the *SeaRose FPSO*," said Bill Matthews, MP for Random-Burin-St. George's on behalf of the Honourable R. John Efford, Minister of Natural Resources Canada. "The Government of Canada is pleased to see another project moving ahead which will ensure the sustainable development of petroleum resources and contribute significantly to the regional economy."

FPSO Background

The *SeaRose FPSO* hull was constructed by Samsung Heavy Industries in South Korea. It has a storage capacity of 940,000 barrels of oil and features an ice-strengthened double hull and detachable mooring system to ensure safe operations on the Grand Banks. The vessel arrived in Marystown in April 2004 following a 55-day, 14,000-nautical mile journey.

Activities in Marystown focused on the fabrication, installation and commissioning of topside facilities for the *SeaRose FPSO*. Topsides are modules that process and treat oil, gas and water, generate power, inject water into the reservoir for pressure maintenance and reinject gas for conservation.

Project Benefits

Work associated with the *SeaRose FPSO* has significantly contributed to the economy of Marystown, a community of approximately 6,000 people, 300 km southwest of St. John's. At the peak of construction, the White Rose project employed more than 1,400 people in the community.

In Newfoundland and Labrador, the White Rose project has provided over 9.5 million person-hours of direct employment and almost one million person-hours in the rest of Canada. Once production commences, the White Rose project will generate approximately 375 long-term, high-quality jobs and 1,000 indirect jobs. It is anticipated the project will also contribute an estimated \$6.8 billion to the gross national product and approximately \$1.4 billion in taxes and royalties.

Next Steps

The *SeaRose FPSO* will depart Marystown within the next 30 days and, after a series of tests in Mortier Bay, Newfoundland and Labrador, sail to the field. Once on site, the *SeaRose FPSO* will connect to a subsea production system consisting of a series of flexible flowlines, risers and umbilicals totalling 41.1 kilometres in length. The installation of the subsea flowlines and risers is currently underway and will be completed in early August. Hook-up and offshore commissioning will be completed in the fourth quarter and first oil production is expected by the end of the year.

Husky Energy owns 72.5 percent of the White Rose Project and is the operator. At peak production, Husky's share is expected to average 67,500 barrels per day on an annual basis. Husky's share of proved and probable reserves for the field is estimated at 165 million barrels.

For more information on the White Rose project, please go to www.huskywhiterose.com.

Note to Editors:

- Media unable to attend the event in Marystown are invited to participate in a conference call on Monday, July 4, 2005 at 1:45 p.m. NL time (12:15 p.m. Eastern time) by dialing 1-800-396-0424, beginning at 12:05 p.m. Eastern time, reservation number 21250333.
- Videotape B-roll of the *SeaRose FPSO* will be available on CNW Group on Monday, July 4, 2005 between 2:00 p.m. and 2:30 p.m. Eastern time at the following coordinates: Anik F2 C Band Analog, Transponder 3B, Audio Subcarrier 6.2 and 6.8, Downlink Frequency 3820 vertical. For assistance, call (416) 504-5071 ext. 350.

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 statements contained in this presentation, including statements which may contain words such as “could”, “expect”, “believe”, “will”, “projected”, “estimated” and similar expressions and statements relating to matters that are not historical facts are forward-looking statements and are based on Husky’s current belief as to the outcome and timing of such future events. 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 estimated amounts and timing of capital expenditures, drilling results and changes in estimates of future production that could influence actual results.

The Company’s disclosure of proved oil and gas reserves and other information about its oil and gas activities has been made based on reliance of an exemption granted by the Canadian Securities Administrators. The exemption permits the Company to make these disclosures in accordance with requirements in the United States. These requirements and, consequently, the information presented may differ from Canadian requirements under National Instrument 51-101, “Standards of Disclosure for Oil and Gas Activities.” The proved oil and gas reserves disclosed in this presentation have been evaluated using the U.S. standards contained in Rule 4-10 of Regulation S-X of the Securities Exchange Act of 1934. The probable (and other classes) oil and gas reserves disclosed in this presentation have been evaluated in accordance with the Society of Petroleum Engineers.

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