



Husky Energy Inc.

News

July 21, 2006

For immediate release

Husky Energy Announces Quarterly Dividend

Calgary, Alberta – The Board of Directors of Husky Energy Inc. is pleased to declare a dividend for the second quarter of \$0.50 (Canadian) per share on its common shares, payable on October 2, 2006 to shareholders of record at the close of business on August 25, 2006.

This second quarter dividend represents an increase of 100 percent over the first quarter dividend of \$0.25 per share. The increased quarterly dividend allows shareholders to benefit directly from the strength of Husky's earnings and cash flows resulting from continuing high commodity prices and the successful execution of the White Rose oil development, offshore Newfoundland and Labrador.

The Board will continue to review the Company's dividend policy from time to time based on its sustainable earnings, financial position and growth prospects. With this increase in the regular dividend, the Board does not expect to declare a special dividend in 2006.

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 news release constitute forward looking statements or information (collectively, "forward looking statements") within the meaning of applicable securities legislation. These forward looking statements relate to future events or Husky's future performance. The use of any of the words "could", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward looking statements and are based on Husky's current belief or assumptions as to the outcome and timing of such future events, and in this news release includes references to special dividends. Actual future results may differ materially. Husky's annual report to shareholders and other documents filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com and the EDGAR website www.sec.gov) describe the risks, uncertainties and other factors, such as drilling results, changes in business plans and potential delays or changes in plans with respect to development projects or capital expenditures, that could influence actual results. Except as required by law, Husky disclaims any intention or obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

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