



February 1, 2006

For immediate release

Husky Energy Redeems Terra Nova Bonds

Calgary, Alberta – Mr. John C.S. Lau, President & Chief Executive Officer, Husky Energy Inc., announced an early redemption of the 8.45 percent senior secured bonds issued by Husky to finance the Terra Nova Project. The outstanding principal of U.S.\$85 million was successfully redeemed on February 1, 2006.

“We are pleased that the strength of Husky’s financial position and ongoing cash flows allow for the early redemption of these bonds and the release of the associated security,” said Mr. Lau.

The Terra Nova Bonds were originally issued for U.S.\$250 million in 1999 to finance the development of the Terra Nova oilfield, located in the Jeanne d’Arc Basin offshore Newfoundland and Labrador. In 2000, a partial redemption of U.S.\$71 million was made following a reduction in Husky’s interest in the field. The field commenced production in 2002. The bonds were secured by a charge over Husky’s interest in the field and carried a coupon of 8.45 percent. The bonds were repayable from Terra Nova cash flows and had a scheduled maturity date of February 1, 2012.

“Terra Nova and the neighbouring Husky-operated White Rose field produce light sweet crude with low operating costs and high netbacks”, said Mr. Lau. “We look forward to further capitalizing on our significant position in the Jeanne d’Arc Basin as we continue exploration and exploitation activities, and leveraging our infrastructure.”

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.

Forward Looking Statements – Certain statements contained in this release, 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 potential delays or changes in plans with respect to development projects or capital expenditures, that could influence actual results. 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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