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For immediate release

April 25, 2008

Husky Energy Officially Opens Minnedosa Ethanol Plant

Minnedosa, Manitoba - Mr. John C.S. Lau, President & Chief Executive Officer of Husky Energy Inc., today officially opened Husky's new Minnedosa Ethanol Plant in a ceremony attended by the Hon. Rosann Wowchuk, Deputy Premier of Manitoba, the Hon. Gary Lunn, Minister of Natural Resources Canada, and other dignitaries.

Husky's facility is one of the largest plants of its kind in Western Canada and will produce annually at peak production 130 million litres of ethanol and 126,000 tonnes of dried distillers grain with solubles (DDGS), a high-protein livestock feed supplement. The Company expects to purchase 350,000 tonnes of wheat and corn per year from local producers for the production of ethanol. The new plant replaces an older facility that had been operating since 1981 and produced 10 million litres of ethanol annually.

Husky's ethanol plant in Lloydminster, Saskatchewan, which started production in 2006, is also capable of producing 130 million litres of ethanol per year. Together, these plants make Husky the largest producer and marketer of ethanol in Western Canada with more than 260 million litres of ethanol produced per year.

"I would like to congratulate Husky on their official opening," said Deputy Premier Rosann Wowchuk. "Biofuels are a key part of Manitoba's clean-energy strategy and an important step toward meeting our Kyoto targets. Today's official opening will help Manitoba reduce greenhouse gases while bringing new economic opportunities into western Manitoba."

"Today's opening is the latest example of how the Government of Canada is working with its provincial and industry partners to help Canada lead the way as a clean energy superpower," said Minister Lunn. "Our government is committed to investing in the biofuel industry to reduce greenhouse gas emissions while creating new economic opportunities."

"The Minnedosa Ethanol Plant plays a key role in helping the Government of Manitoba meet its mandate of increasing the availability of ethanol-blended gasoline to consumers across the province," said Mr. Lau. "Husky will spend approximately \$100 million per year in the Minnedosa area on grain purchases and related operational expenses. Our investment in this plant demonstrates our confidence in the ability of local producers to be reliable suppliers to this value-added industry."

To commemorate the official opening of the plant and in recognition of the Town of Minnedosa's 125th anniversary, Mr. Lau announced that Husky is contributing \$50,000 to assist the Minnedosa Community Child Care Cooperative with developing its child care and education centre, and \$50,000

to help the Minnedosa Senior Citizens Association expand its present facilities to include a 50+ Activity Centre.

Husky also confirmed its pledge to the biofuels research program at the University of Manitoba with a five-year commitment of \$1.625 million. The pledge is in addition to the \$1 million research endowment fund made by Husky to the university in 2005. When combined with federal and provincial government support programs, the project is expected to leverage a total investment of over \$4 million in total funding towards biofuel research.

"We are pleased to have such a continued strong commitment from Husky in this critical area of research. Its investment has helped to build research expertise at the University of Manitoba and will create benefits for both industry and the environment," said Dr. Eموke J.E. Szathmary, President and Vice-Chancellor, University of Manitoba.

Ethanol is a high-octane, alcohol-based fuel additive produced from grain. Ethanol-blended fuels offer several advantages over regular gasoline including higher octane ratings, reduced tail-pipe emissions and protection from gas-line freezing. Husky and Mohawk retail stations market ethanol-enhanced gasoline as "Mother Nature's Fuel."

- 30 -

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