

For Immediate Release

August 27, 2009

Husky Announces Results from Third Appraisal Well in South China Sea

Calgary, Alberta (August 27, 2009) – John C.S. Lau, President & Chief Executive Officer of Husky Energy Inc., is pleased to announce that Husky Oil China Ltd., a wholly owned subsidiary of Husky Energy Inc., has completed drilling and testing of the third appraisal well at the Liwan 3-1 field on Block 29/26, in the South China Sea.

The *West Hercules* deepwater drilling rig drilled the Liwan 3-1-4 well to a total vertical depth of 3,366 metres below sea level. The well was drilled and tested in a water depth of 1,450 metres on the Liwan gas discovery which was made in 2006 in the South China Sea.

“This third appraisal well tested natural gas at an equipment restricted rate of 52 million cubic feet (mmcf) per day with indications that the well’s future deliverability could exceed 150 mmcf per day,” said Mr. Lau. “The results from this well are very consistent with those of the other appraisal wells, demonstrating both the quality and consistency of the Liwan 3-1 reservoir. The Liwan three-well appraisal program has delineated the field, increased our understanding of the recoverable resource, and provided us with the necessary reservoir characterization to prepare the plan of development for the Liwan 3-1 field.”

Husky is proceeding with the front end engineering design (FEED) and data from the third appraisal well is being integrated into the program. Currently Husky expects the plan of development will be submitted to partner and regulatory authorities in late 2009 or early 2010. First gas production is targeted to be in the 2013 timeframe.

Liwan 3-1 Field Well Results

Well	Rig Release Date	Restricted FlowTest Rate (mmcf per day)	Projected Flow Rate Capability (mmcf per day)
Liwan 3-1-1	Sep. 15, 2006	Discovery Well	Not Tested
Liwan 3-1-2	Feb. 25, 2009	53	> 150
Liwan 3-1-3	May 9, 2009	55	> 150
Liwan 3-1-4	Aug. 31, 2009	52	> 150

Following the completion of the third appraisal well, the *West Hercules* drilling rig will commence drilling the first of two exploration wells north east of the Liwan 3-1 field in Block 29/26.

Husky has been exploring offshore China since 2002. Husky signed the Production Sharing Agreement for Block 29/26 in August 2004. Block 29/26, located approximately 350 kilometres south east of Hong Kong, is 2,974 square kilometres in area. CNOOC Limited has the right to participate in the development for up to 51 percent working interest. Husky also holds a 40 percent working interest in the production block at the Wenchang oil field and 100 percent working interest in five exploration blocks in the South China Sea and one exploration block in the East China Sea.

Husky Energy is an integrated energy and energy-related company headquartered in Calgary, Alberta, Canada. Husky Energy is a publicly traded company listed on the Toronto Stock Exchange under the symbol HSE.

FORWARD LOOKING STATEMENTS

Certain statements in this document are forward-looking statements or information (collectively "forward-looking statements"), within the meaning of the applicable securities legislation. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as: "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "intend," "plan," "projection," "could," "vision," "goals," "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In particular, the forward-looking statements in this document include: future well deliverability for the Liwan appraisal wells and the delineation program, development plan, exploration plans, drilling plans and gas production timeline for the Liwan Project. Although the Company believes that the expectations reflected by the forward-looking statements presented in this document are reasonable, the Company's forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to the Company about itself and the businesses in which it operates. Information used in developing forward-looking statements has been acquired from various sources including third party consultants, suppliers, regulators and other sources. Husky's Annual Information Form 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, material assumptions and other factors that could influence actual results and which are incorporated herein by reference. Except as required by applicable securities laws, 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.

-30-

Please Contact:

Investor Inquiries:

Sharon Murphy
General Manager,
Corporate Communications & Investor Relations
Husky Energy Inc.
403-298-6096

Patrick Aherne
Manager, Investor Relations
Husky Energy Inc.
403-298-6817

Media Inquiries:

Graham White
Corporate Communications
Husky Energy Inc.
403-298-7088

Block 29/26 Locator Map

