

May 31, 2010

Husky Announces Results of First Appraisal Well from Liuhua 29-1 Gas Field

Calgary, Alberta (May 31, 2010) – 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, has completed drilling and successful testing of the first appraisal well at the Liuhua 29-1 discovery on Block 29/26 in the South China Sea with encouraging results.

The *West Hercules* deepwater drilling rig drilled the Liuhua 29-1-2 well to a total vertical depth of 2,930 metres below sea level. The well was drilled and tested in a water depth of 765 metres on the Liuhua 29-1 field, which was discovered in January 2010 in the South China Sea.

“This first appraisal well tested natural gas at an equipment restricted rate of 55 million cubic feet per day with indications that the well’s future deliverability could be 60 – 70 million cubic feet per day,” said Mr. Lau. “The results from this well demonstrate the quality of the Liuhua reservoir. Further appraisal drilling planned for later this year will be required, to increase our understanding of the recoverable resource and provide us with the necessary reservoir characterization and data to prepare a plan of development for the field.”

The Liuhua 29-1 field is the Company’s third significant deepwater gas discovery in Block 29/26 in the South China Sea. The Liuhua 29-1 field is located about 43 kilometres northeast of the Liwan 3-1 field, the Company’s first major discovery in Block 29/26 and approximately 20 kilometres northeast of the Liuhua 34-2 field.

Husky expects plans of development for the Liwan 3-1 and Liuhua 34-2 fields to be submitted to regulatory authorities later in 2010. Furthermore, the plan of development of Liuhua 29-1 will be submitted when ready and will incorporate the results of the additional appraisal drilling that will be required.

The first two fields in Block 29/26 – namely Liwan 3-1 and Liuhua 34-2 fields will be developed in parallel, with first gas production targeted in 2013. Gas production from the Liuhua 29-1 field will subsequently share common gas processing and transportation infrastructure.

The *West Hercules* drilling rig is currently commencing the drilling of another exploration well – Liwan 5-2-1 in Block 29/26 prior to returning to Liuhua 29-1 to drill a second appraisal well, later in the year.

Husky has been exploring offshore China since 2002. Husky signed a Petroleum Contract for Block 29/26 in 2004, which following two separate land relinquishments is 2,230 square kilometres in area. In addition, Husky holds a 40 percent net working interest in a production block at the Wenchang oil field and 100 percent working interest in two other exploration blocks offshore China. Under the Petroleum Contract, CNOOC Limited has the right to participate in any field development projects for up to 51 percent working interest.

Husky Energy is an integrated 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. More information is available at www.huskyenergy.com.

FORWARD LOOKING INFORMATION

Certain statements in this press release 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, this news release includes forward-looking statements relating to the future deliverability of the appraisal well, the stated intention to complete further appraisal drilling later this year, the timing for submission of plans of development and the timing for development of Husky's three natural gas fields in Block 29/26 in the South China Sea and expected first production. Although Husky believes that the expectations reflected by the forward-looking statements presented in this press release are reasonable, Husky'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 Husky 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.

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For further information, please contact:

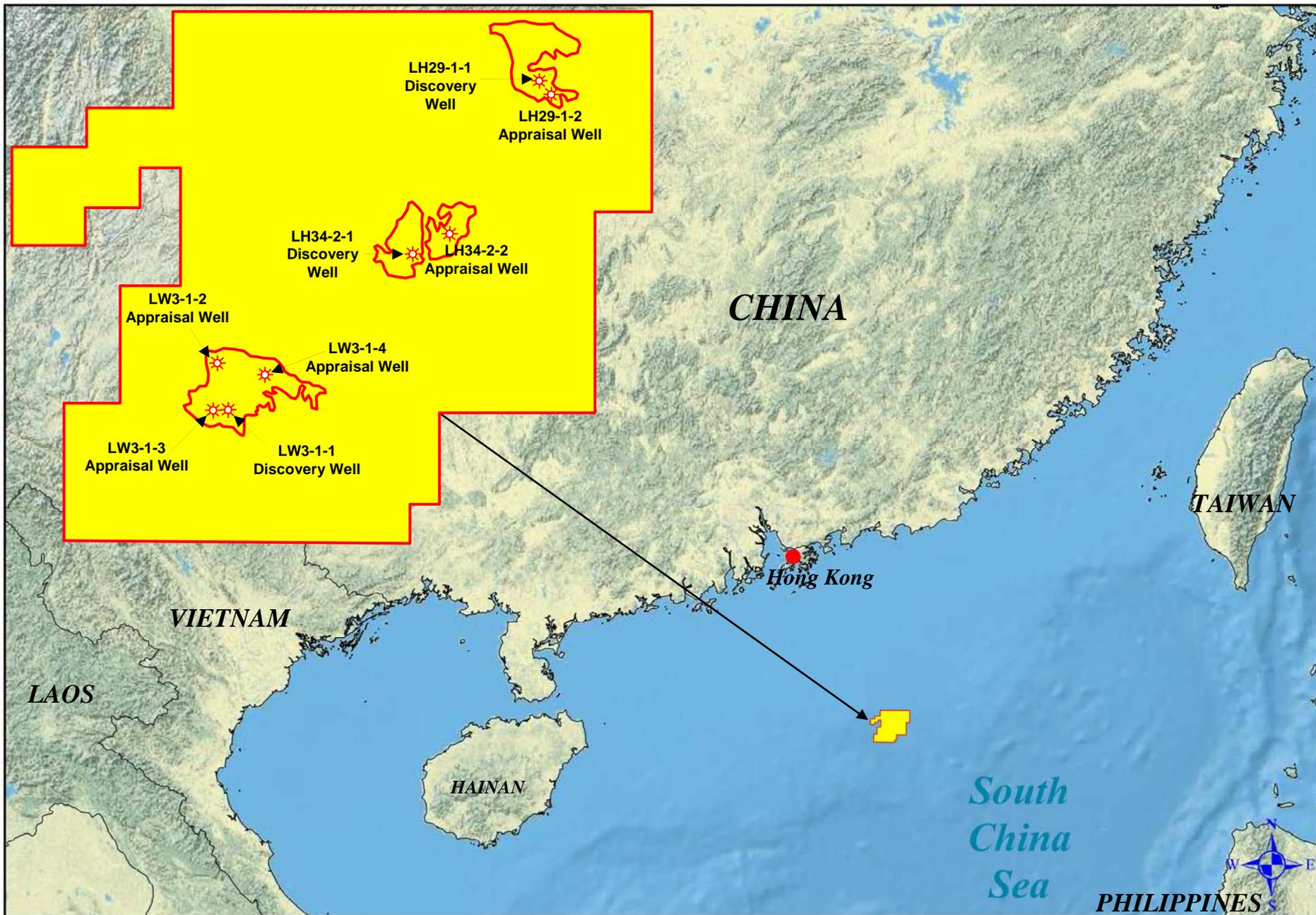
Investor Inquiries:

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



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