

October 27, 2010

Husky Announces Results From Second Liuhua 29-1 Appraisal Well

Calgary, Alberta (Oct. 27, 2010) – Husky Energy is pleased to announce it has completed the successful drilling of a second appraisal well at the Liuhua 29-1 discovery on Block 29/26 in the South China Sea.

The *West Hercules* deepwater rig drilled the Liuhua 29-1-3 well to a total vertical depth of 2,900 metres below sea level. The well, which encountered encouraging results, was drilled in a water depth of 682 metres at a location approximately three kilometres north of the initial Liuhua 29-1 discovery and has been cased for possible re-entry and development as a producing well at a later date.

“Core and log data have verified the presence of an excellent quality reservoir with approximately 60 metres of gas pay,” said John C.S. Lau, President and Chief Executive Officer, Asia Pacific. “This well demonstrates an extension of the Liuhua 29-1 field to the north and based on our knowledge of the reservoir, we are confident the well is capable of high flow rates. Once the well data is integrated, additional appraisal drilling will be determined to further define the resource size and prepare the Plan of Development for the field.”

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. This field is the Company's third significant deepwater gas discovery in Block 29/26 in the South China Sea.

Following the completion of operations at Liuhua 29-1-3, the *West Hercules* rig resumed development drilling at the Liwan 3-1 field.

Husky Oil China Ltd., a wholly owned subsidiary of Husky Energy, expects to submit Plans of Development for the Liwan 3-1 field to regulatory authorities in the next few months. The first two fields in Block 29/26 – namely Liwan 3-1 and Liuhua 34-2 – will be developed in parallel, with first gas production targeted for 2013. Liuhua 29-1 will share common gas processing and transportation infrastructure.

Husky Energy is an integrated energy 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 Company's general strategic plans;

anticipated results of exploration; potential development, production and infrastructure plans; timing of application for regulatory approvals; and anticipated timing of 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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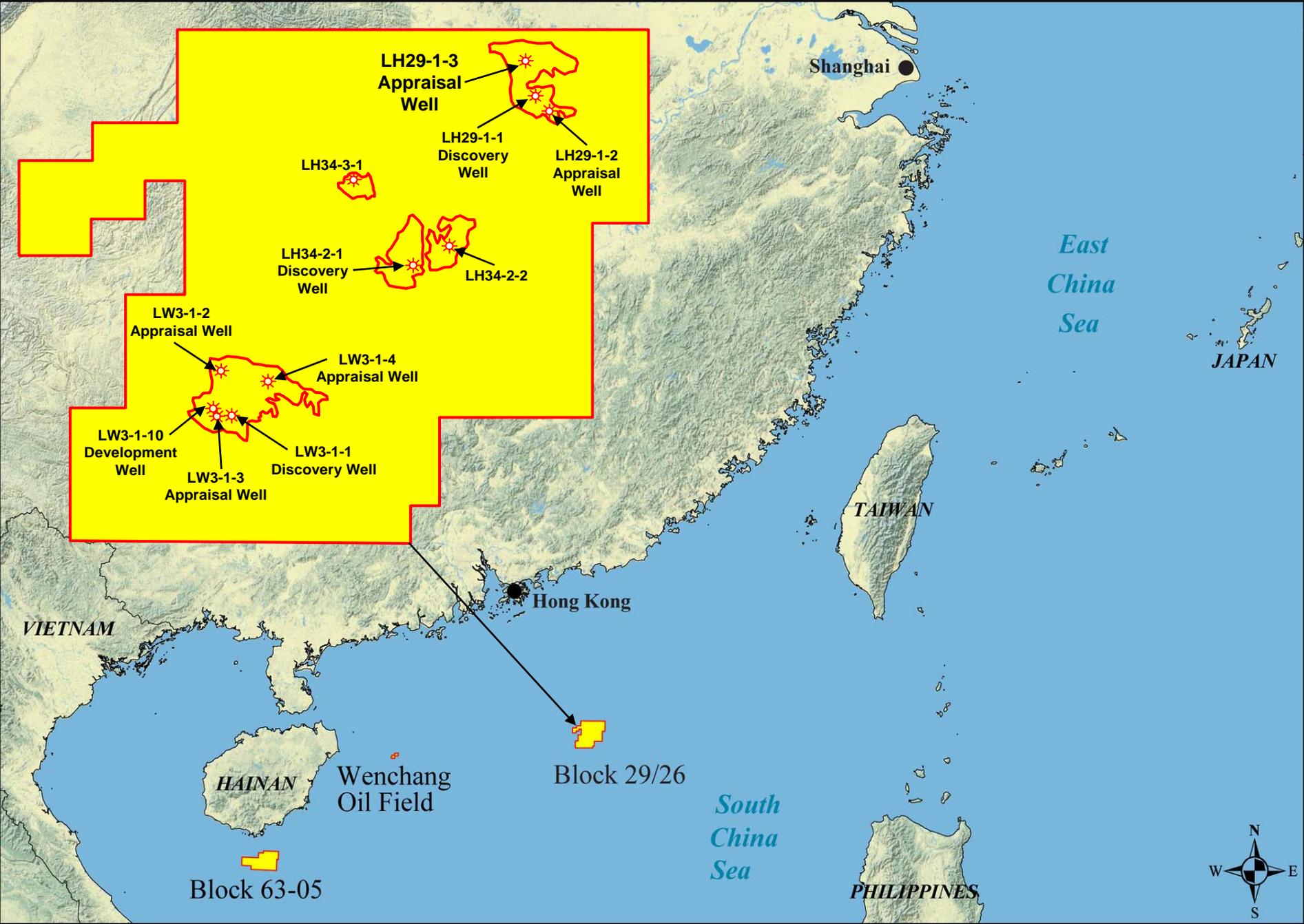
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LH29-1-3
Appraisal Well

LH29-1-1
Discovery Well

LH29-1-2
Appraisal Well

LH34-3-1

LH34-2-1
Discovery Well

LH34-2-2

LW3-1-2
Appraisal Well

LW3-1-4
Appraisal Well

LW3-1-10
Development Well

LW3-1-3
Appraisal Well

LW3-1-1
Discovery Well

Shanghai ●

East
China
Sea

JAPAN

TAIWAN

VIETNAM

Hong Kong

HAINAN

Wenchang
Oil Field

South
China
Sea

PHILIPPINES

Block 29/26

Block 63-05



0 50 100 150 200
Kilometers

South China Sea Husky Interests