March 28, 2002 - For immediate release

Owners Approve White Rose Oilfield Development

Calgary, Alberta - Husky Oil Operations Limited, operator of the White Rose oil field project and its co-venturer, Petro-Canada today announced their decision to proceed with the development of the White Rose oilfield located offshore the East Coast of Newfoundland and Labrador, Canada.

"After reviewing the government's decision report and finalizing contractual and project execution arrangements, we are pleased to be in a position to move forward with the development of White Rose," said John Lau, President and Chief Executive Officer of Husky.

"The owners have invested considerable time and money in developing a very detailed and careful execution strategy for the project. White Rose is a good investment for the owners and stakeholders alike and will generate materially significant revenues and benefits for Newfoundland and Canada."

The White Rose development plan is focussed on a "purpose-built" Floating Production Storage and Offloading (FPSO) vessel with a peak production rate of approximately 100,000 barrels of oil per day. Current plans provide for a total of 19 to 21 wells to recover between 200 and 250 million barrels of oil over a 10 to 15 year period. Peak production is expected to be approximately 92,000 barrels per day sustained for about four years. It is anticipated that the field will achieve first oil by the end of 2005.

Development costs will be approximately $2.35 billion Cdn with costs to first oil being less than $2 billion Cdn. Moreover full field operating costs are expected to be in the order of $2 billion Cdn. over the 15-year life of the field. During the peak production years, operating costs are expected to average approximately $3.30 Cdn per barrel.

The operators have executed an agreement with Aker Maritime Kiewit Contractors (AMKC) for the completion of the topsides fabrication. The awarding of the other main contracts will be finalized and announced shortly. Excavation of the subsea Glory Holes is scheduled to begin in the field in the third quarter, 2002, and development drilling is expected to commence in the first half of 2003.

"With Hibernia and, more recently, Terra Nova now both in production, White Rose will be the third offshore East Coast project for the province. This will allow us to fully utilize and build on the local business community and increasingly skilled local workforce. White Rose will be an important contributor to the growing oil and gas industry in Canada and Newfoundland and Labrador," added Mr. Lau.

707 8th Avenue S.W., Box 6525, Station D, Calgary, Alberta T2P 3G7 (403) 298-6111

The owners of the White Rose development are: Husky Energy as Operator, through its wholly owned subsidiary Husky Oil Operations Limited, which owns 72.5% and Petro-Canada, which owns 27.5%.

The White Rose oil field is located in the Jeanne d'Arc Basin on the Grand Banks approximately 350 kilometres east of St. John's, Newfoundland. The South Avalon pool, the primary site under development, was discovered in 1988.

Husky Energy is a Canadian-based, integrated energy and energy-related company headquartered in Calgary, Alberta. Husky Energy is a publicly traded company whose shares trade on the Toronto Stock Exchange under the symbol HSE.

Certain information in this release may contain forward-looking statements. 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 estimated amounts and timing of capital expenditures that could influence actual results.

For background information, please visit:

www.huskyenergy.ca/news/releases/WhiteRoseSanction-Mar28.pdf or
www.huskywhiterose.com

- 30 -

For additional information, please contact:

Media:

Michael Lawrence
Corporate Communications
Husky Energy
Calgary, AB
(403) 298-6587

Margaret Allan
Public Relations
Husky Energy
St. John's, NF
(709) 724-3981

Investors & Analysts:

Richard M. Alexander
Vice President, Investor Relations & Communications
Husky Energy
Calgary, AB
(403) 298-6952