Husky Energy

News Release

December 18, 2003

Husky Energy Announces 2004 Capital Expenditures And Production Guidance

Calgary, Alberta – Husky Energy Inc. announced today a capital expenditure program of $2.1 billion for 2004.

"Our planned 2004 capital expenditures reflect the continued exploitation of our Western Canadian basin assets, progress on the White Rose oil field development and exploration activity in the South China Sea and East China Sea," said Mr. John C.S. Lau, President & Chief Executive Officer.

The 2004 capital expenditure program is currently allocated as follows:

($millions)	Guidance 2003	Forecast 2003	Guidance 2004
Upstream			
Western Canada	$870	$925	$1,000
Western Canada Exploration	170	150	150
East Coast	560	560	585
International	55	30	65
	1,655	1,665	1,800
Midstream	100	60	100
Refined Products	60	60	150
Corporate	25	25	30
	$1,840	$1,810	$2,080

Husky plans to invest $1.8 billion in its upstream assets in 2004, including $1.15 billion in Western Canada. Activity in Western Canada will focus on natural gas exploration in the British Columbia and Alberta foothills, northeastern British Columbia and northwestern Alberta, and oil exploration in the Central Mackenzie area of the Northwest Territories.

The 2004 East Coast expenditures of $585 million include the construction of the White Rose Floating Production, Storage and Offloading vessel, and drilling of the East Coast development wells for Terra Nova and White Rose projects. In addition, one offshore exploration well is planned to be drilled in the South Whale Basin, located approximately 350 kilometers south of St. John's, Newfoundland.

In the year 2004, international expenditures of $65 million include the planned drilling of at least two exploration wells and additional seismic programs in the South China Sea and East China Sea as well as three development wells at Wenchang.

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

Capital expenditures in the midstream segment are planned at $100 million in 2004 primarily for debottlenecking initiatives at the Lloydminster Upgrader.

For the year 2004 production guidance, Husky estimates production of 320 to 350 thousand barrels of oil equivalent per day. Light oil and natural gas liquids (NGLs) production is estimated at 67 to 76 thousand barrels per day, medium oil is estimated at 35 to 40 thousand barrels per day, heavy oil production is estimated at 105 to 115 thousand barrels per day, and natural gas production is estimated at 670 to 710 million cubic feet per day.

Husky Energy is a Canadian-based integrated energy and energy-related company headquartered in Calgary, Alberta. Husky Energy is publicly traded 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, estimated amounts and timing of capital expenditures, drilling results, the uncertainty of estimates and projections of future production, that could influence actual results. Husky assumes no obligation to update forward looking statements should circumstances or management's estimates or opinions change.

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For more information please contact:

Colin Luciuk
Manager, Investor Relations
Husky Energy Inc.
403-750-4938

Rocco Ciancio
Manager, Corporate Communications
Husky Energy Inc.
403-298-7088