



Husky Energy Inc.

News

July 17, 2006

For immediate release

Husky Energy Acquires Additional Oil Sands Lease at Saleski

Calgary, Alberta – Mr. John C.S. Lau, President & Chief Executive Officer of Husky Energy Inc., announced today that the Company has acquired a 14,560 acre oil sands lease adjacent to its Saleski property. The land, which was purchased at the July 12, 2006 land sale for approximately \$6.6 million, could add approximately 1.34 billion barrels of bitumen in place to its existing holdings.

The lease acquired will increase Husky's total land holdings in Saleski from 178,560 acres to 193,120 acres and increase bitumen in place estimates for Saleski from 19.48 billion barrels to 20.82 billion barrels.

"We are pleased with this consolidation as the Company is preparing a feasibility development plan for the area," said Mr. Lau. "Including the Saleski oil sands leases, we estimate that the Company's oil sands leases contain over 37.6 billion barrels of original bitumen in place."

The potential resource in the Saleski lease is located in the Grosmont and Nisku carbonate formation and has on average 250 metres of overburden over the lease. During the 1970's and 1980's, Husky had carried out several pilot projects producing bitumen from carbonates.

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.

Forward Looking Statements – Certain statements contained in this release, including statements which may contain words such as "could", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are forward-looking statements and are based on Husky's current belief as to the outcome and timing of such future events. 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 drilling results that could influence actual results. 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.

Reserves Data and Other Oil and Gas Information – Husky’s disclosure of reserves data and other oil and gas information is made in reliance on an exemption granted to Husky by Canadian securities regulatory authorities, which permits Husky to provide disclosure required by and consistent with those of the United States Securities and Exchange Commission and the Financial Accounting Standards Board in the United States in place of much of the disclosure expected by National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

Cautionary Note for U.S. Investors - *The United States Securities and Exchange Commission (“SEC”) permits U.S. oil and gas companies, in their filings with the SEC, to disclose only proved reserves that the company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. In this release, Husky refers to “bitumen in place” which is inherently more uncertain than proved reserves and which U.S. oil and gas companies are prohibited from including in reports filed with the SEC.*

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For more information, please contact:

Colin Luciuk
Manager, Investor Relations &
Corporate Communications
Husky Energy Inc.
(403) 750-4938

Tanis Thacker
Senior Analyst, Investor Relations
Husky Energy Inc.
(403) 298-6747