

Husky Energy Provides Update on Lima Refinery Operations

Calgary, Alberta (June 29, 2011) – Husky Energy Inc. reports that it has temporarily suspended production at its refinery in Lima, Ohio, in order to carry out repairs on a crude unit furnace.

A controlled shutdown of the crude unit furnace was initiated on June 27, following the discovery of a small leak in a radiant tube inside the unit. There are no environmental releases or safety issues associated with the event.

It is estimated it will take approximately 10 days to complete the repairs and return the crude unit furnace to normal operations. During this period a minimum amount of finished product will be produced from fuels in inventory. The Company will manage crude oil inventories by selling excess crude into the market.

The overall pre-tax impact, including repair costs, is estimated as an opportunity cost of between \$15 to \$20 million, which considers the current market price environment. The impact will be reflected in third quarter results. Husky plans to carry out pro-active maintenance work while repairs are being completed.

Husky Energy is one of Canada's largest integrated energy companies. It is headquartered in Calgary, Alberta, Canada and is publicly traded on the Toronto Stock Exchange under the symbol HSE and HSE.PR.A. More information is available at www.huskyenergy.com

FORWARD-LOOKING STATEMENT

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 controlled shutdown of the Lima refinery, including scheduled maintenance, estimated length of the shutdown, handling of inventories, and the financial impact on Husky. 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. Any forward-looking statement speaks only as of the date on which such statement is made, and, 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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