



Husky Energy Sells Southwest Saskatchewan Assets for \$595 Million

Calgary, Alberta (May 10, 2016) – Husky Energy has reached an agreement for the sale of select assets in southwest Saskatchewan for \$595 million to Whitecap Resources.

“Today’s announcement is another step in the transition of our Western Canada portfolio into a more focused and efficient business,” said CEO Asim Ghosh. “Over the past two months we have made significant progress on three major divestiture initiatives that will materially strengthen our balance sheet and further our transition into a low sustaining capital business.”

Growing Higher Quality Production

For the past six years, Husky has been transitioning its Western Canada business from a legacy basin to one with fewer, more material resource plays.

Work to progress the planned sale of several other packages in Western Canada continues.

Improving Capital Efficiencies

The sale of the southwest Saskatchewan assets and the continued transformation of the Western Canada business are expected to deliver financial efficiencies, allowing capital to be more effectively deployed toward higher-return projects in the Company’s portfolio. These efficiencies include reductions to:

- Ongoing sustaining and maintenance capital requirements
- Overall corporate operating costs
- Future abandonment liabilities
- Administrative costs associated with the assets

The divested assets currently produce approximately 11,600 barrels of oil equivalent per day.

Strengthening the Balance Sheet

This is Husky’s third asset sale agreement this year. Husky agreed to sell a 65 percent ownership interest in select midstream assets in April for \$1.7 billion, while retaining 35 percent ownership in a newly formed limited partnership and remaining the operator. Earlier this month, the Company reached an agreement under which it will realize \$163 million in cash proceeds from the sale of royalty assets in Western Canada.

Proceeds from these transactions will be used to further strengthen the balance sheet.

The sale is subject to final regulatory approval.

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

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FORWARD-LOOKING STATEMENTS

Certain statements in this news release are forward-looking statements and information (collectively “forward-looking statements”), within the meaning of the applicable Canadian securities legislation, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. The forward-looking statements contained in this news release are forward-looking and not historical facts.

Some of the forward-looking statements may be identified by 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”, “is targeting”, “estimated”, “intend”, “plan”, “projection”, “could”, “aim”, “vision”, “goals”, “objective”, “target”, “schedules” and “outlook”). In particular, forward-looking statements in this news release include, but are not limited to, references to: the Company’s Western Canada strategic plans; the Company’s potential disposition of Western Canada assets; expected financial efficiencies from the sale of the southwest Saskatchewan assets and the transformation of the Western Canada business; and the planned use of proceeds from the Western Canada dispositions.

Although the Company believes that the expectations reflected by the forward-looking statements presented in this news release are reasonable, the Company’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 the Company 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.

Because actual results or outcomes could differ materially from those expressed in any forward-looking statements, investors should not place undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Some of these risks, uncertainties and other factors are similar to those faced by other oil and gas companies and some are unique to Husky.

The Company’s Annual Information Form for the year ended December 31, 2015 and other documents filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com and the EDGAR website www.sec.gov) describe risks, material assumptions and other factors that could influence actual results and 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, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are dependent upon other factors, and the Company's course of action would depend upon its assessment of the future considering all information then available.

Disclosure of Oil and Gas Information

The Company uses the terms barrels of oil equivalent (“boe”), which is consistent with other oil and gas companies’ disclosures, and is calculated on an energy equivalence basis applicable at the burner tip whereby one barrel of crude oil is equivalent to six thousand cubic feet of natural gas. The term boe is used to express the sum of the total company products in one unit that can be used for comparisons. Readers are cautioned that the term boe may be misleading, particularly if used in isolation. This measure is used for consistency with other oil and gas companies and does not represent value equivalency at the wellhead.

Note to U.S. Readers

All currency is expressed in Canadian dollars unless otherwise directed.