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HUSKY ENERGY CLOSES SUCCESSFUL \$300 MILLION PREFERRED SHARE ISSUANCE

Calgary, Alberta, March 18, 2011 - Husky Energy Inc. (TSX:HSE) ("Husky Energy") is pleased to announce that it has completed its recently announced public offering of 10,000,000 Cumulative Rate Reset First Preferred Shares, Series 1 (the "Series 1 Shares"). The underwriting group led by CIBC, RBC Capital Markets and BMO Capital Markets (collectively the "Underwriters") exercised their 2,000,000 Series 1 Shares over-allotment option in full, and accordingly, a total of 12,000,000 Series 1 Shares have been issued at a price of \$25.00 per share for aggregate gross proceeds of \$300 million.

The net proceeds from this offering will be used for repayment of existing indebtedness, capital expenditures, corporate and asset acquisitions and for general corporate purposes.

The Series 1 Shares were offered by way of prospectus supplement under the short form base shelf prospectus of Husky Energy dated November 26, 2010.

Holder of the Series 1 Shares are entitled to receive a cumulative quarterly fixed dividend yielding 4.45% annually for the initial period ending March 31, 2016. Thereafter, the dividend rate will be reset every five years at a rate equal to the 5-year Government of Canada bond yield plus 1.73%. Holders of Series 1 Shares will have the right, at their option, to convert their shares into Cumulative Rate Reset First Preferred Shares, Series 2 (the "Series 2 Shares"), subject to certain conditions, on March 31, 2016 and on March 31 every five years thereafter. Holders of the Series 2 Shares will be entitled to receive cumulative quarterly floating dividends at a rate equal to the three-month Government of Canada Treasury Bill yield plus 1.73%.

The Series 1 Shares are listed on the Toronto Stock Exchange under the ticker symbol HSE.PR.

The Series 1 Shares have not been registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the U.S. Securities Act.

Husky Energy is an integrated energy company headquartered in Calgary, Alberta, Canada. Husky Energy is a publicly traded company listed on the Toronto Stock Exchange under the symbol HSE. For more information about Husky Energy please visit our web site at www.huskyenergy.com.

Forward Looking Information

Certain statements in this document 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 document includes forward-looking statements relating to the public offering of Series 1 Shares; and the use of proceeds from the public offering of Series 1 Shares. Although Husky believes that the expectations reflected by the forward-looking statements presented in this document 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. 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.

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