

CALGARY, AB--(Marketwired - April 18, 2016) - Husky Energy (TSX: HSE) has commenced production at its Edam East Lloyd Thermal Project in Saskatchewan, the first of three thermal developments scheduled to come online this year.

First oil at the 10,000 barrels per day (bbls/day) development was achieved about seven weeks following the startup of steaming operations.

"Our growing portfolio of heavy oil thermal projects continues to lead Husky's transition into a low sustaining capital business," said CEO Asim Ghosh. "Edam East is another example of the quick ramp ups that we've come to expect from these developments, which have operating costs amongst the lowest in the industry."

Husky's operating costs for its Lloyd thermal product line averaged about \$7 per barrel, including energy, in the fourth quarter of 2015.

Two additional Lloyd thermal projects are expected to begin production in the third quarter: the 10,000 bbls/day Vawn project and the 4,500 bbls/day Edam West project. Husky's total thermal production is expected to reach approximately 80,000 bbls/day by the end of 2016.

Husky's thermal projects are supported by the Lloyd Value Chain, which originates with the Company's extensive resource in the Lloyd area and includes the Saskatchewan Gathering System, the Upgrader and asphalt refinery, and oil storage capacity at Hardisty.

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

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:

- with respect to the business, operations and results of the Company generally: the Company's general strategic plans and growth strategies; and
- with respect to the Company's Heavy Oil properties: anticipated timing of first production from, and anticipated net peak daily production at, the Company's Vawn and Edam West Thermal Projects; anticipated net peak daily production at the Company's Edam East Thermal Project; anticipated daily production volumes from the Company's thermal projects by the end of 2016.

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

Projected production numbers given represent Husky's share.

Note to U.S. Readers

All currency is expressed in Canadian dollars unless otherwise directed.

Contact

For further information, please contact:

Investor Inquiries:

Rob Knowles

Manager, Investor Relations

[Husky Energy Inc.](#)

587-747-2116

Media Inquiries:

Mel Duvall

Manager, Media & Issues

[Husky Energy Inc.](#)

403-513-7602