

CALGARY, ALBERTA--(Marketwired - May 11, 2016) - Husky Energy (TSX:HSE) has commenced steam operations at the Vawn Lloyd Thermal Project in Saskatchewan.

"This is the second of three thermal projects we will be commissioning this year," said CEO Asim Ghosh. "We are ahead of schedule and under budget with Vawn, an indication of our growing expertise in developing these thermal projects.

"These developments are leading our transition into a low sustaining capital business, with among the lowest operating costs in the industry."

The 10,000 barrels per day (bbls/day) Vawn development is expected to produce first oil early in the third quarter.

The Lloyd thermal projects are a key component of the Company's ongoing transition into a low sustaining capital business. By the end of 2016 more than 40 percent of overall production is expected to come from low sustaining capital projects compared to just eight percent in 2010.

The 10,000 bbls/day Edam East development began production in mid-April. The 4,500 bbls/day Edam West project is set to begin production in the third quarter of 2016.

Husky's integrated Downstream operations further support its thermal business. The Lloyd heavy oil value chain 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: anticipated timing of first production from, and forecast net peak daily production from, the Company's Vawn Lloyd Thermal Project and Edam West Lloyd Thermal Project; anticipated percentage of production base from low sustaining capital projects by the end of 2016; and forecast net peak daily production from the Company's Edam East Lloyd Thermal Project.

There are numerous uncertainties inherent in projecting future rates of production. The total amount or timing of actual future production may vary from production estimates.

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.

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