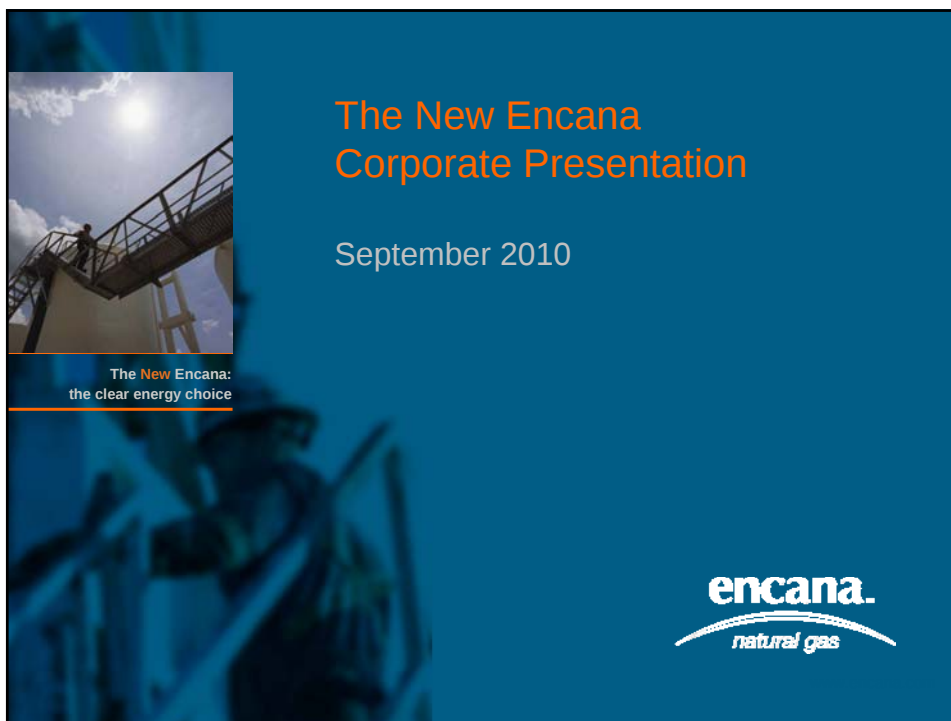




## Future Oriented Information

In the interest of providing Encana Corporation ("Encana" or the "Company") shareholders and potential investors with information regarding the Company, its subsidiaries, including management's assessment of the Company's future plans and operations, certain statements and graphs throughout this presentation contain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 or "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking statements in this presentation include, but are not limited to, statements and tables with respect to: projection to doubling production per share over the next five years, including projected production from various resource plays in the U.S. and Canadian divisions; estimated drilling inventory and locations; estimated proved, probable and possible reserves and economic contingent resources; expected 2010 supply cost; growth in production for various resource plays for 2011 to 2014; forecast growth profile 2011 to 2014; Company's 2010 guidance forecasts; expected increase in North American gas supply and demand per day; expected long-term price of natural gas and years of supply; demand opportunities for natural gas in power generation and transportation; ability to pay dividends; forecast 2010 exit rate production capacity; 2010 upstream capital forecast by resource plays; third party capital commitments for 2010; forecast metrics; expected rates of return at various NYMEX gas prices; estimated NGIP; 2010 projected well cost in various resource plays; Cabin gas plant and Fort Nelson infrastructure projected onstream date; estimated volume of shut-in gas for 2010; estimated reduction in supply cost over the next five years; future North American gas demand and production; North American regional price outlook; estimated ultimate recoveries for certain fairways; future development programs in certain resource plays; and projected reduction in operational costs for 2010.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These assumptions, risks and uncertainties include, among other things: volatility of and assumptions regarding oil and gas prices; assumptions based upon the company's current guidance, as well as assumptions based upon 2010 Encana guidance; fluctuations in currency and interest rates; product supply and demand; market competition; risks inherent in the company's and its subsidiaries' marketing operations, including credit risks; imprecision of reserves estimates and estimates of recoverable quantities of natural gas and liquids from resource plays and other sources not currently classified as proved, probable or possible reserves or economic contingent resources; marketing margins; potential disruption or unexpected technical difficulties in developing new facilities; unexpected cost increases or technical difficulties in constructing or modifying processing facilities; risks associated with technology; the company's ability to replace and expand gas reserves; its ability to generate sufficient cash flow from operations to meet its current and future obligations; its ability to access external sources of debt and equity capital; the timing and the costs of well and pipeline construction; the company's ability to secure adequate product transportation; changes in royalty, tax, environmental, greenhouse gas, carbon, accounting and other laws or regulations or the interpretations of such laws or regulations; political and economic conditions in the countries in which the company operates; terrorist threats; risks associated with existing and potential future lawsuits and regulatory actions made against the company; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by Encana. Although Encana believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive. Forward-looking statements with respect to anticipated production, reserves and production growth, including over the next five years, are based upon numerous facts and assumptions which are discussed in further detail in this presentation, including a projected capital program averaging approximately \$6 billion per year from 2011 to 2014, achieving an average rate of approximately 2,500 net wells per year from 2011 to 2014, Encana's current net drilling location inventory, natural gas price expectations over the next few years, production expectations made in light of advancements in horizontal drilling, multi-stage fracture stimulation and multi-well pad drilling, the current and expected productive characteristics of various existing and emerging resource plays, Encana's estimates of proved, probable and possible reserves and economic contingent resources, expectations for rates of return which may be available at various prices for natural gas and current and expected cost trends. In addition, assumptions relating to such forward-looking statements generally include Encana's current expectations and projections made in light of, and generally consistent with, its historical experience and its perception of historical trends, including the conversion of resources into proved reserves and production as well as expectations regarding rates of advancement and innovation, generally consistent with and informed by its past experience, all of which are subject to the risk factors identified elsewhere in this presentation.

Forward-looking information respecting anticipated 2010 cash flow for Encana is based upon achieving average production of oil and gas for 2010, net divestitures of \$0 to \$1.0 billion, approximately 3,365 Bcfe/d, commodity prices for natural gas of NYMEX \$5.00/Mcf, crude oil (WTO) \$75 for commodity prices and an estimated U.S./Canadian dollar foreign exchange rate of \$0.94 and an average number of outstanding shares for Encana of approximately 740 million. Furthermore, the forward-looking statements contained in this presentation are made as of the date of this presentation, and, except as required by law, Encana does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

## Advisory Regarding Reserves Data & Other Oil & Gas Information Disclosure Protocols

Encana's disclosure of reserves data and other oil and gas information is made in reliance on an exemption granted to Encana by Canadian securities regulatory authorities which permits it to provide certain of such disclosure in accordance with the relevant legal requirements of the U.S. Securities and Exchange Commission (the "SEC"). Some of the information provided by Encana may differ from the corresponding information prepared in accordance with Canadian disclosure standards under National Instrument 51-101 (NI 51-101). Information about the differences between the U.S. requirements and the NI 51-101 requirements is set forth under the heading "Note Regarding Reserves Data and Other Oil and Gas Information" in Encana's Annual Information Form dated February 18, 2010.

The reserves numbers contained in these presentations represent estimates of Encana's reserves prepared using SEC definitions and standards, applying forecast prices. Encana has used Henry Hub forecast prices of \$5.50 per MMBtu for 2010 and \$6.50 per MMBtu for 2011 and beyond.

The estimates of economic contingent resources contained in these presentations are based on definitions contained in the Canadian Oil and Gas Evaluation Handbook. Contingent resources do not constitute, and should not be confused with, reserves. Contingent resources are defined as those quantities of petroleum estimated, on a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Economic contingent resources are those contingent resources that are currently economically recoverable. In examining economic viability, the same fiscal conditions have been applied as in the estimation of reserves. There is a range of uncertainty of estimated recoverable volumes. A low estimate is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate, which under probabilistic methodology reflects a 90% confidence level. A best estimate is considered to be a realistic estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate, which under probabilistic methodology reflects a 50% confidence level. A high estimate is considered to be an optimistic estimate. It is unlikely that the actual remaining quantities recovered will exceed the high estimate, which under probabilistic methodology reflects a 10% confidence level.

There is no certainty that it will be economically viable or technically feasible to produce any portion of the volumes currently classified as economic contingent resources. The primary contingencies which currently prevent the classification of Encana's disclosed economic contingent resources as reserves are the lack of a reasonable expectation that all internal and external approvals will be forthcoming and the lack of a documented intent to develop the resources within a reasonable time frame.

The estimates of various classes of reserves (proved, probable, possible) and of contingent resources (low, best, high) in these presentations represent arithmetic sums of multiple estimates of such classes for different properties, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of reserves and contingent resources and appreciate the differing probabilities of recovery associated with each class.

In these presentations, certain crude oil and NGLs volumes have been converted to cubic feet equivalent (cfe) on the basis of one barrel (bbl) to six thousand cubic feet (Mcf). Cfe may be misleading, particularly if used in isolation. A conversion ratio of one bbl to six Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

Encana uses the terms resource play and estimated ultimate recovery, total petroleum initially-in-place, original gas-in-place, natural gas-in-place, and crude oil-in-place. Resource play is a term used by Encana to describe an accumulation of hydrocarbons known to exist over a large areal expanse and/or thick vertical section, which when compared to a conventional play, typically has a lower geological and/or commercial development risk and lower average decline rate. Total petroleum initially-in-place ("TPIIP") is defined by the Society of Petroleum Engineers - Petroleum Resources Management System ("SPE-PRMS") as that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources"). Original gas-in-place ("OGIP"), natural gas-in-place ("NGIP") and crude oil-in-place ("COIP") are defined in the same manner, with the substitution of "original", "natural gas" and "crude oil" where appropriate for the word "petroleum". As used by Encana, estimated ultimate recovery ("EUR") has the meaning set out jointly by the Society of Petroleum Engineers and World Petroleum Congress in the year 2000, being those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from an accumulation, plus those quantities already produced therefrom.

In these presentations, Encana has provided information with respect to certain of its Key Resource Plays and emerging opportunities which is "analogous information" as defined in NI 51-101. This analogous information includes estimates of PIP, OGIP, NGIP or COIP and/or EUR, all as defined in the Canadian Oil & Gas Evaluation Handbook ("COGEH") or by the SPE-PRMS, and/or production type curves. This analogous information is presented on a basin, sub-basin or area basis utilizing data derived from Encana's internal sources, as well as from a variety of publicly available information sources which are predominantly independent in nature. Some of this data may not have been prepared by qualified reserves evaluators or auditors and the preparation of any estimates may not be in strict accordance with COGEH. Regardless, estimates by engineering and geo-technical practitioners may vary and the differences may be significant. Encana believes that the provision of this analogous information is relevant to Encana's oil and gas activities, given its acreage position and operations (either ongoing or planned) in the areas in question.

Finding, development and acquisition cost is calculated by dividing total capital invested in finding, development and acquisition activities by additions to proved reserves, before divestitures, which is the sum of revisions, extensions, discoveries and acquisitions. Proved reserves added in 2009 included both developed and undeveloped quantities. Encana's finding and development costs per Mcf for (i) its most recent financial year (ended December 31, 2009) was \$1.62; (ii) its second most recent financial year (ended December 31, 2008) was \$2.50; and (iii) the average of its three most recent financial years was \$1.92.

For certain prospects, the Company calculates and discloses a full cycle F & D cost, which is defined to be the estimated total capital investment required over the full economic life of the prospect divided by the estimated ultimate recovery (EUR) of the prospect.

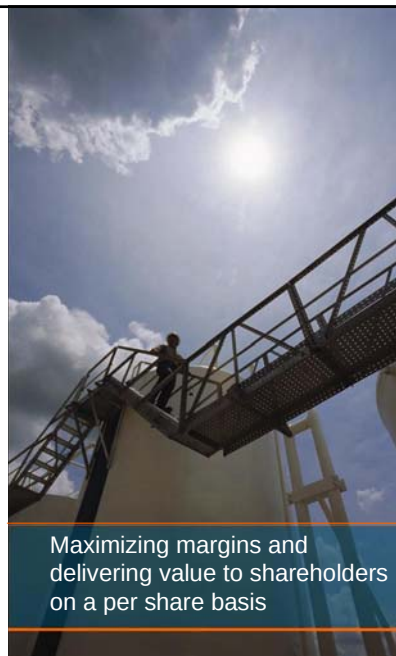
For convenience, references in these presentations to "Encana", the "Company", "we", "us" and "our" may, where applicable, refer only to or include any relevant direct and indirect subsidiary corporations and partnerships ("Subsidiaries") of Encana Corporation, and the assets, activities and initiatives of such Subsidiaries.

All information included in these presentations is shown on a US dollar, after royalties basis unless otherwise noted. Sales forecasts reflect the mid-point of current public guidance on an after royalties basis.

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## The New Encana A New Company for a New Era

- North American portfolio of unconventional natural gas assets
- History of entering plays early and leveraging technology to unlock unconventional resources
- Consistently among lowest cost structures in natural gas industry
- Tremendous reserves & economic contingent resources base
- Disciplined approach to capital spending and financial stewardship
- Strong Corporate Governance



Maximizing margins and delivering value to shareholders on a per share basis

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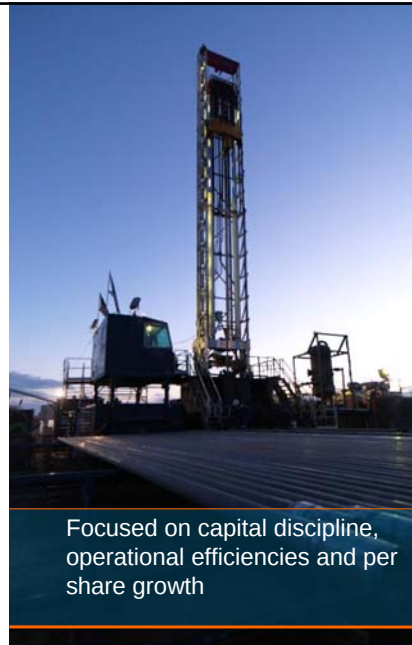
## The New Encana

### New Corporate Strategy

#### Firmly committed to...

- Maximizing net asset value per share
  - Pursuing aggressive organic growth
  - Accelerating value recognition of inventory
  - Doubling production per share over the next five years
  - Supported by 20+ year drilling inventory\*
- Driving down costs
- Applying strict capital discipline
- Maintaining financial strength and flexibility

\*Based on 2P + 2C economic contingent resources current pace of development of 1,525 wells in 2010F



Focused on capital discipline, operational efficiencies and per share growth

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## The New Encana

### The Game Has Changed

- Fundamental change to North American natural gas supply
  - Abundant supply with emergence of shale gas
  - Supply outpacing demand
  - Lower long-term price expectations
  - Need to play the game differently
- Increased focus on lowering cost structures & maximizing margins
  - Optimizing efficiencies, leveraging technology, manufacturing approach
- Encana has strategy, assets and value-driven culture to win
  - Launching company to higher level of growth
  - Growth in production & maximizing margins



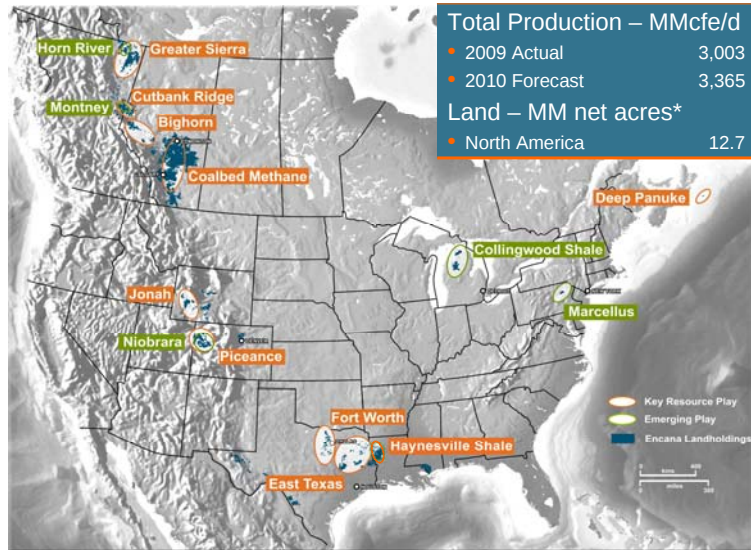
The game has changed!

At Encana, we are positioned to win

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## The New Encana

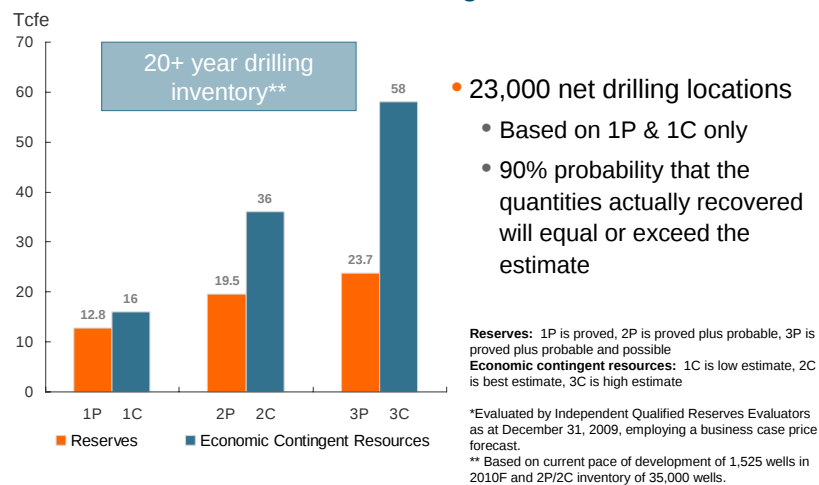
### Leading North American Natural Gas Resource Plays



## Tremendous Resource Potential

### Gold Standard in Reserves Disclosure

#### Reserves and Economic Contingent Resources\*



## The New Encana

High Growth Pure-play Natural Gas Company

Targeting to double production per share over the next five years

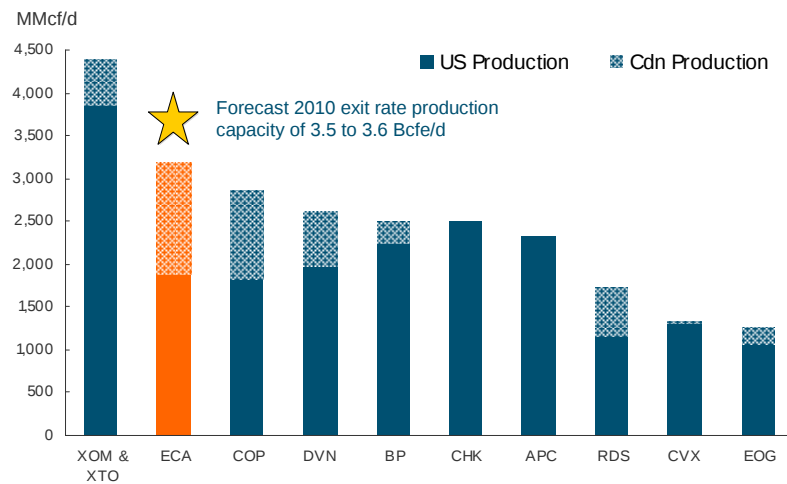
- Huge inventory
  - Vastly larger than historical levels
- Superior asset quality
- High growth drivers:
  - Haynesville
  - Montney
  - Horn River



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## Encana – A Pure Play Natural Gas Company

Q2 2010 North American Natural Gas Production

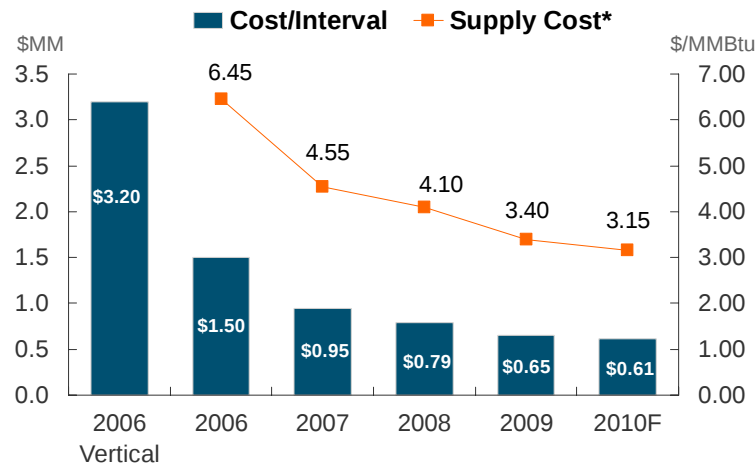


Source: Company Data, Energy eTrack Estimates

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## Horizontal Well Technology

Combined with Multi-stage Fracturing in the Montney

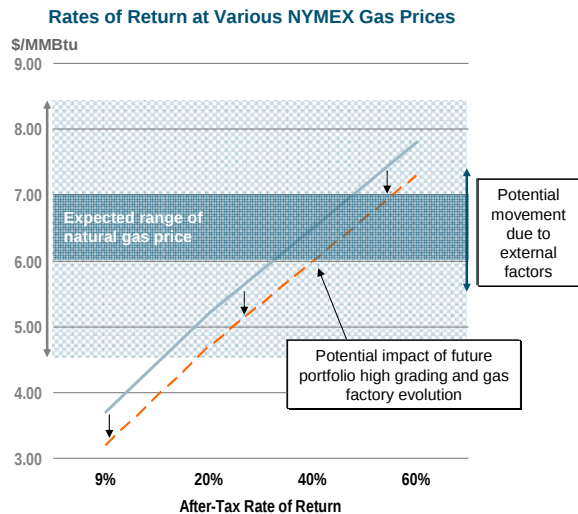


\*Supply Cost is defined as the flat NYMEX price that yields a risked IRR of 9% and does not include land costs.

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## The New Encana

Focused on Lowest Supply Costs



Illustrative, based on weighted average of portfolio.

- Lower long-term natural gas price in the \$6-7/MMBtu range based on 2010F input costs
  - Price range to rise and fall with input costs
- Attractive returns due to optimization and economies of scale even with lower long-term price expectations
- Focused on maximizing margins (recycle ratio)
- Expect portfolio high grading to improve supply costs over time

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## Gas Factories – Optimizing Efficiency

Achieving Economies Of Scale Across Our Portfolio

Concentrated resource + Pad drilling + Manufacturing practices = Gas factory

- Transfer learnings across portfolio
- Innovative
- Simultaneous operations
- Reduce costs
- Improve efficiencies
- Reduce surface disturbance

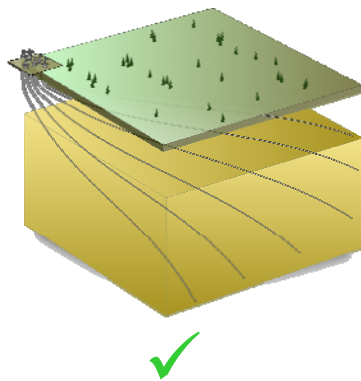


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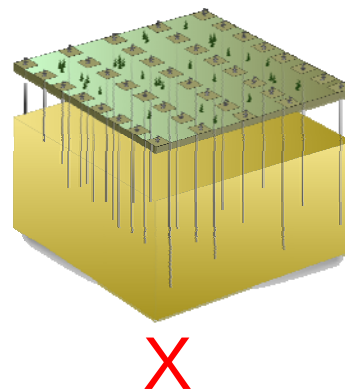
## Gas Factories – Responsible Development

Reducing Surface Disturbance

The well pad has ~5% the disturbance area vs. the comparable vertical well scenario



- 6 Horizontal wells (8 fracs/ well) = 48 total fracs per section



- Same development would require 48 vertical wells each on a separate 100mx100m pad

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## Optimizing Surface Operations

- Explore fit-for-purpose completions equipment
  - Skid mounted
  - Larger HP
- Optimize logistics
  - Simultaneous operations
  - Sand and water supply & handling
- Employ manufacturing style operations management
  - Continuous Improvement
  - Six Sigma, LEAN



Haynesville Simultaneous Operations

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## On Track for 2010

### Second Quarter 2010 Results

- Total production of **3.3 Bcfe/d**
- Natural gas production of **3.2 Bcf/d**
- Cash flow of **\$1.2 billion**  
(**\$1.65/share** diluted)
- Operating earnings of **\$81 million**  
(**\$0.11/share** diluted)
- Free cash flow of **\$118 million**
- Debt to capitalization of **32%**
- Debt to adjusted EBITDA  
(pro forma) of **1.6x**
- Paid dividend of **\$0.20/share**



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## Key Drivers of Value Creation

Building Shareholder Value



- Accelerate value recognition of inventory
  - Increase pace of development
  - Attract additional joint venture investment
- Joint venture activity
  - Increases capital efficiency
  - Improves project economics
  - Accelerates the resource development
  - Reduces risk
- Focus on cost reduction and operating efficiencies translates to stronger margins
  - Higher productive capacity exposed to stronger margins means higher cash flow per share

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## Joint Venture Activity

Leveraging Third Party Capital – Moving Value Forward

- De-risking Encana's capital investment
- Very active: 30+ deals in Canada and more than 30 partners in USA
- Attracted more than \$4 billion capital over past 3 years
  - In Canada, 760+ gross well commitments
  - In USA, 1,784 gross well commitments
- Over \$900 million commitments in place for 2010



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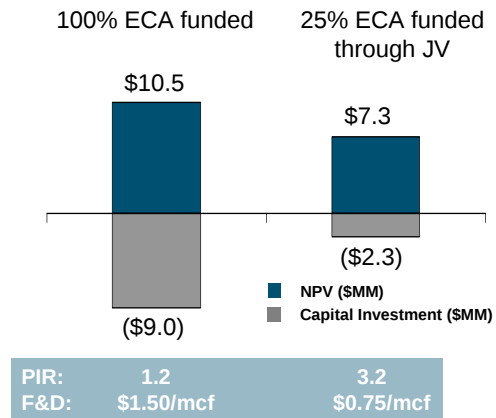
## Accelerating Value

Leveraging Third Party (JV) Capital Investment

### Example JV Structure

- Joint venture value creation
  - JV partner earns 50% working interest by paying 75% of the drilling costs
  - ECA has 50% working interest, but pays only 25% of drilling costs
- High capital efficiency
- Significant uplift to project returns
- Brings value forward sooner by shortening resource development timeline

### NPV per well comparison\*



\*Illustrative example; assumes a 6 Bcf well; PIR: Profit to Investment Ratio.

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## The New Encana

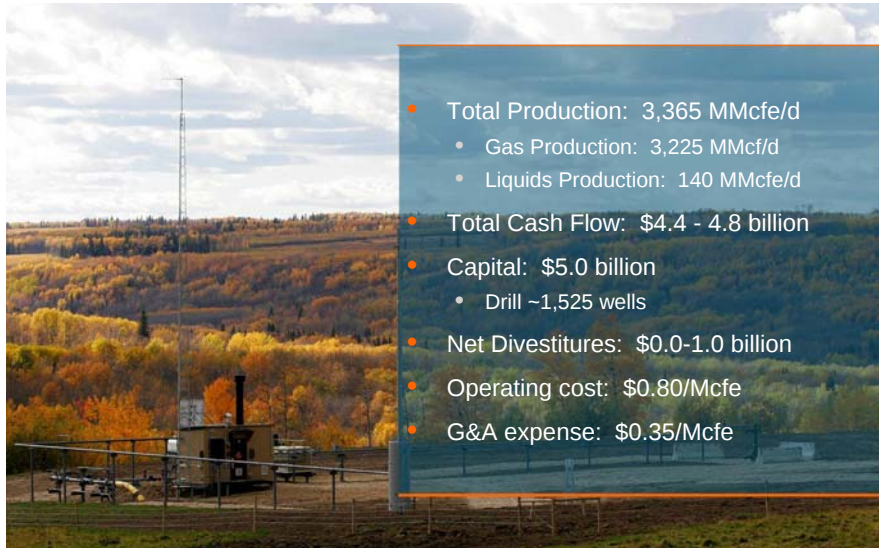
Forecast Growth Profile – 2011 to 2014 Assumptions



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## The New Encana

2010F Guidance\*



- Total Production: 3,365 MMcfe/d
  - Gas Production: 3,225 MMcf/d
  - Liquids Production: 140 MMcfe/d
- Total Cash Flow: \$4.4 - 4.8 billion
- Capital: \$5.0 billion
  - Drill ~1,525 wells
- Net Divestitures: \$0.0-1.0 billion
- Operating cost: \$0.80/Mcfe
- G&A expense: \$0.35/Mcfe

\*Assumptions as noted in Encana Corporate Guidance dated July 21, 2010.

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## Financial Strength and Flexibility

Continued Focus on Capital Discipline



- Total debt of \$7.8 billion at an average pre-tax rate of 6.2%
  - Current cash and cash equivalents of \$1.5 billion
- Bank credit facilities – best in class
  - Unused committed \$4.8 billion revolving facility
- Strong investment grade credit ratings

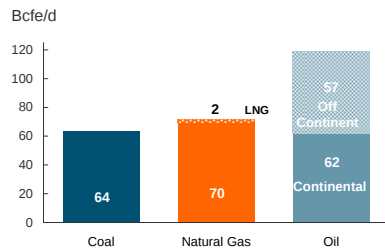
As at June 30, 2010.

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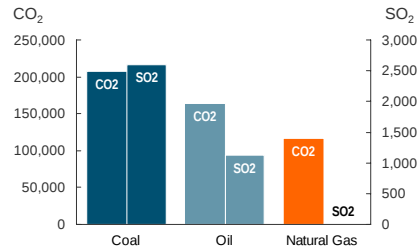
## Natural Gas Opportunity

Abundant, Affordable & Beneficial Attributes

Sources of daily energy production in North America



Emissions level by fuel type (lbs/BBtu)



North American natural gas supply (& demand) could increase by approximately 25 billion cubic feet per day

- Over 20% less expensive than current North American gasoline or diesel

Source: EIA, Statistics Canada

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## The Natural Gas Renaissance

Opportunities For Market Growth

- Abundant – 100 years of supply!
- Affordable - long term price expected to be in the range of \$6.00-7.00/Mcf
- Clean – reduces greenhouse gas and toxic emissions!
- Reliable – 100 year history of widespread societal use
- Domestic Energy Solution – significant economic contributions



## Encana's Future Vision

Cleaner, More Attractive Energy Solutions

Abundance of natural gas enables an energy plan that will include...

- Natural gas as a preferred fuel for power generation
  - Increases efficiency, price competitive and improved health benefits
  - Addresses large component of emission targets
- Natural gas as a transportation fuel
  - Clean, safe alternative to gasoline and diesel powered vehicles
  - New industry creates jobs, government revenue



## The New Encana

The Clear Energy Choice

A focused, pure-play natural gas company with...

- A huge resource base in many of the key North American unconventional natural gas resource plays
- Tremendous reserves & resource base
  - Capable of double-digit growth
  - Support doubling of production per share over next 5 years
- An innovative, value-driven internal culture focused on maximizing margins by increasing operational efficiencies
- A disciplined approach to capital spending and financial stewardship
- Strong Corporate Governance



Recognizing opportunities before they are evident to others

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## The New Encana

Strategic Implications

### Encana's Business Model

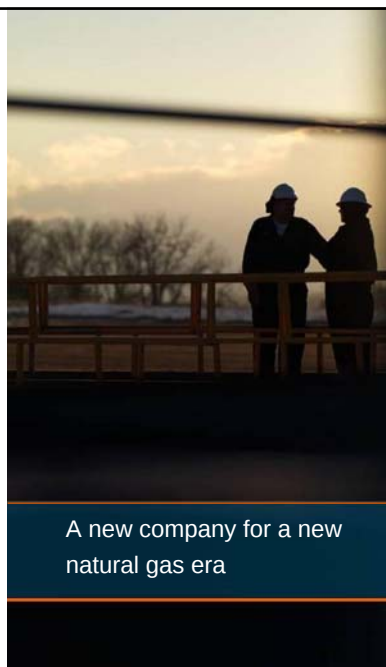
- Increased pace of development
- Increased capital efficiency
  - Leverage economies of scale
  - Manufacturing approach to the business
- Expand market share
- Maintain/expand margins
- Focus on growth in shareholder value



## The New Encana

### Guiding Principles

- Maintain flexibility
  - Always ensure we are doing the right thing appropriate for the time
- Capital discipline balancing physical and per share growth through pace of development
- Maintain investment grade credit rating
- Continue prudent risk management
- Active portfolio management
  - Use proceeds from planned divestitures to purchase shares
- Accelerate value recognition through additional capital and 3<sup>rd</sup> party investment
- Target a competitive dividend



A new company for a new natural gas era

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## The New Encana

### Encana Guidance Summary

|                                              | 2010F             |
|----------------------------------------------|-------------------|
| Gas production (MMcf/d)                      | 3,225             |
| Liquids production (MMcfe/d)                 | 140               |
| Total production (MMcfe/d)                   | 3,365             |
| • <b>Canada</b>                              | <b>1,390</b>      |
| • <b>USA</b>                                 | <b>1,975</b>      |
|                                              | <u>\$ billion</u> |
| Total Cash Flow                              | \$4.4 – 4.8       |
| Capital                                      | \$5.0             |
| • <b>Canada</b>                              | <b>\$2.2</b>      |
| • <b>USA</b>                                 | <b>\$2.7</b>      |
| • <b>Market Optimization &amp; Corporate</b> | <b>\$0.1</b>      |
| Net Divestitures                             | \$0.0 – 1.0       |

\*Assumptions as noted in Encana Corporate Guidance dated July 21, 2010.

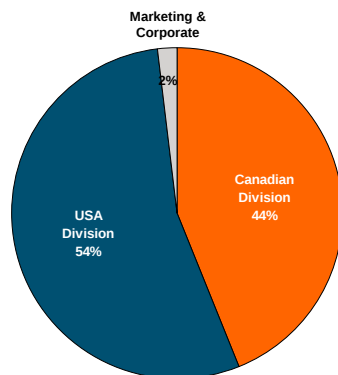
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## The New Encana - 2010 Overview

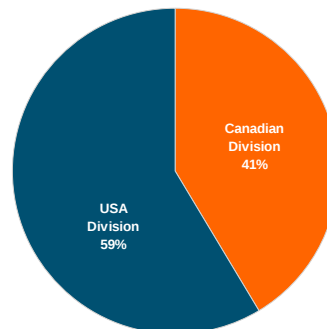
Transition to Accelerating Growth

Forecast 2010 exit rate production capacity of 3.5 to 3.6 Bcfe/d

Capital (\$5.0 Billion)



Production (3.4 Bcfe/d)



Based on assumptions as noted in Encana guidance dated July 21, 2010.

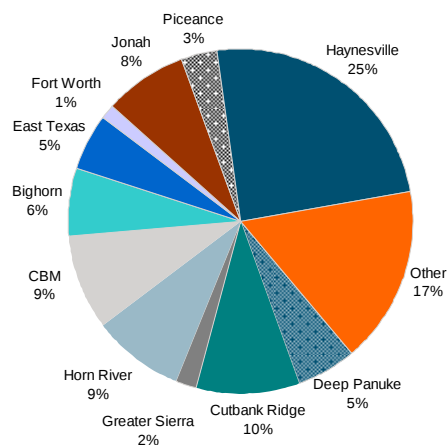
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## The New Encana

2010 Upstream Capital Forecast

Increased Investment in Key & Emerging Plays

\$4.9 billion



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## The New Encana

### Operating Efficiency

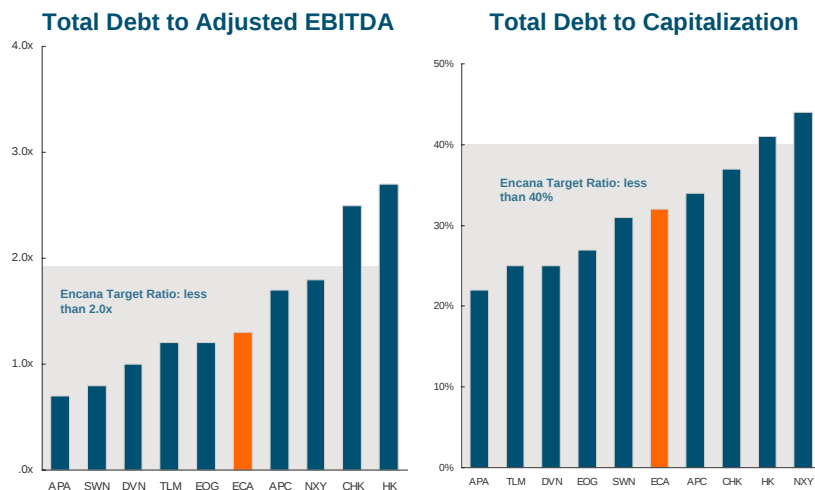
#### Development Program – Forecast Metrics

| Metric                                | Target |
|---------------------------------------|--------|
| Internal Rate of Return (IRR, %)      | >20%   |
| Profit to Investment Ratio (PIR) @ 0% | >1.0   |
| Profit to Investment Ratio (PIR) @ 9% | >0.3   |
| Production Efficiency (\$/Mcf/d)      | ~5,000 |
| Supply Cost* (\$/MMBtu)               | ~4.00  |

\*Supply Cost is defined as the flat NYMEX price that yields a risked IRR of 9% after tax and does not include land costs.

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## Flexible Capital Structure



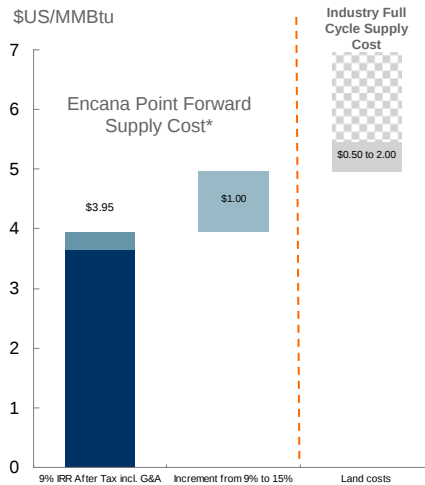
\*Encana pro forma; all debt as at June 30, 2010 & EBITDA is pro forma trailing 12 months at June 30, 2010

Source: Company reports

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## First Mover Advantage

### Encana Point Forward vs. Industry Full Cycle Supply Costs



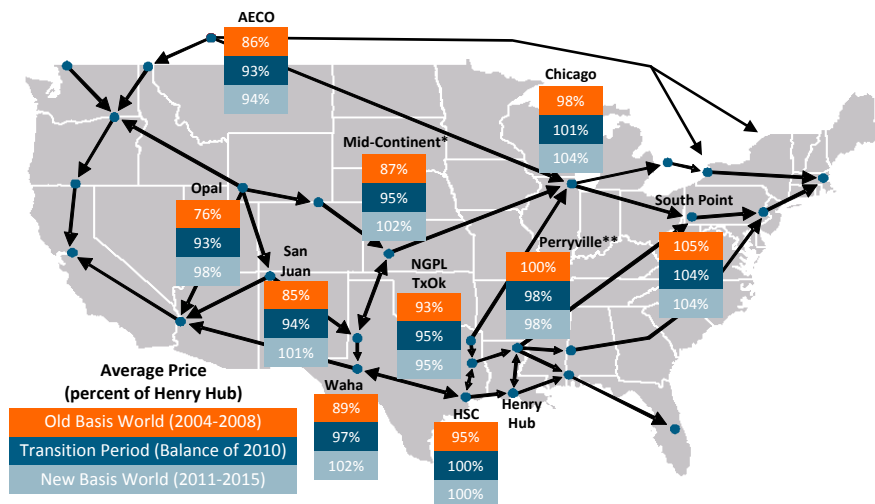
\*Includes \$0.30 G&A; based on weighted average of portfolio

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- Encana point forward supply cost
  - The flat NYMEX price that yields a risked IRR of 9% after tax; does not include sunk costs, including land
- Encana full cycle land costs typically < \$0.25/MMBtu
- Targeting 25-30% improvement over the next five years
  - Implementing gas factories
  - Achieving economies of scale across our portfolio
  - High-grading portfolio
  - Increased capital efficiency
  - Expand margins

## North American Regional Price Outlook

Going forward, price spreads should be relatively flat across North America – Western basis should resume strengthening, once Western declines set in.



Source: Encana (outlook), Platts Gas Daily (historical), Platts POWERmap  
\*Panhandle \*\*Columbia Gulf Mainline

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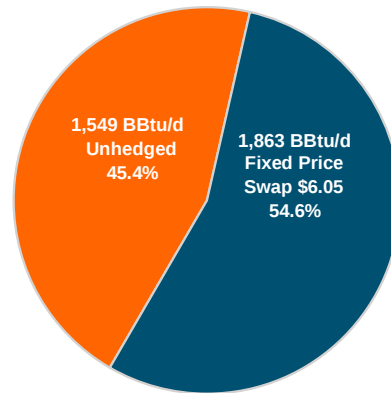
## 2010F Natural Gas Price Exposure

As of June 30, 2010

### Encana Natural Gas Production

July-December 2010F Pro Forma Net Revenue Interest

3,412 BBtu/d



July-December 2010 NYMEX Price: \$4.82 on June 30, 2010.

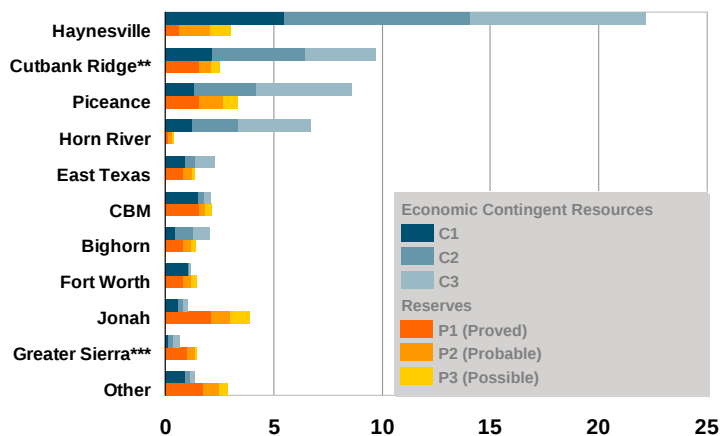
Encana has approximately 1,200 and 1,000 BBtu/d hedged in calendar years 2011 and 2012 at an average price of about \$6.33/Mcf and \$6.46/Mcf, respectively.

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## The New Encana

Tremendous Resource Potential

### Reserves and Economic Contingent Resources (Tcfe)\*



\* Evaluated by Independent Qualified Reserves Evaluators as at December 31, 2009

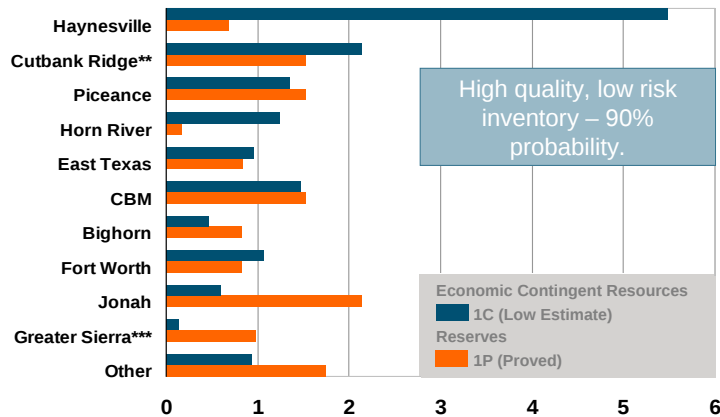
\*\* Includes Montney; \*\*\* Jean Marie only

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## The New Encana

Tremendous Resource Potential

### Proved Reserves and 1C Economic Contingent Resources (Tcfe)\*



\* Evaluated by Independent Qualified Reserves Evaluators as of December 31, 2009

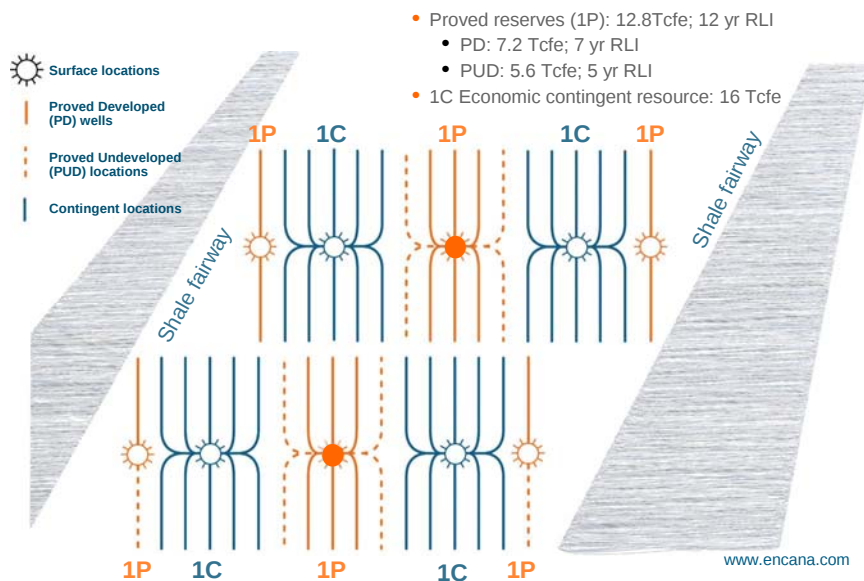
\*\* Includes Montney

\*\*\* Jean Marie only

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## The New Encana

### 1P proved reserves & 1C economic contingent resources



## High Value Inventory

|                                   | Net Acres*<br>(1,000s) | Inventory <sup>(1)</sup><br>(net wells) | 2010F Net Well<br>Count | Supply Cost<br>(\$/MMbtu)  |
|-----------------------------------|------------------------|-----------------------------------------|-------------------------|----------------------------|
| <b>Canadian Division</b>          |                        |                                         |                         |                            |
| Horseshoe Canyon CBM              | 2,100                  | 13,000                                  | 885                     | 3.50 - 4.00                |
| Bighorn                           | 459                    | 500                                     | 50                      | 3.50 - 4.00                |
| Cutbank Ridge                     | 1,062                  | 1,200                                   | 65                      | 3.25 - 3.75                |
| Greater Sierra - Jean Marie       | 1,502                  | 500                                     | 32                      | 3.50 - 4.00                |
| Horn River                        | 256                    | 300                                     | 18                      | 3.75 - 4.25                |
| <b>USA Division<sup>(2)</sup></b> |                        |                                         |                         |                            |
| Jonah                             | 127                    | 1,400                                   | 110                     | 2.90 - 4.00                |
| Piceance                          | 869                    | 1,700                                   | 120                     | 1.00 - 5.25 <sup>(3)</sup> |
| Fort Worth                        | 76                     | 900                                     | 20                      | 3.10 - 4.30                |
| East Texas                        | 267                    | 600                                     | 25                      | 3.70 - 4.20                |
| Haynesville                       | 429                    | 1,600                                   | 110                     | 3.75 - 4.45                |
| Other <sup>(4)</sup>              | 1,692                  | 1,400                                   | 90                      | 2.15 - 3.25                |
| <b>Total</b>                      | <b>8,839</b>           | <b>23,100</b>                           | <b>1,525</b>            |                            |

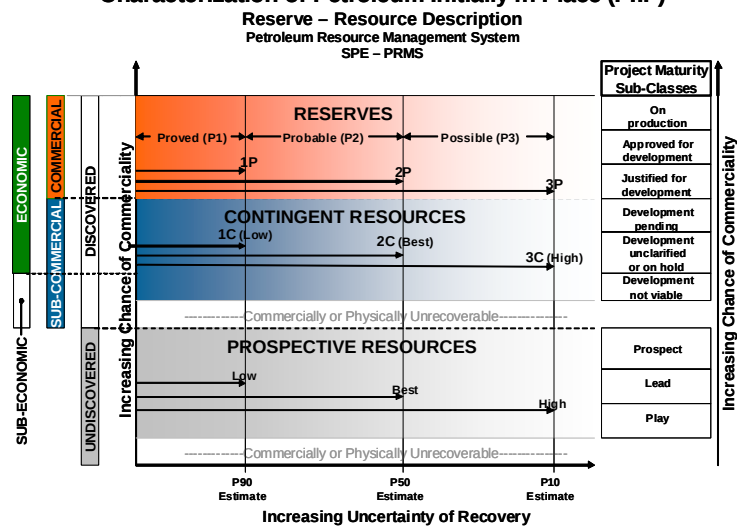
\* As at December 31, 2009

1. Inventory based on YE09 1P Reserves & 1C Economic Contingent Resources
2. Supply cost does not include G&A charges
3. Metrics include funding leveraged through joint ventures
4. Includes Wind River, DJ, Paradox, Green River

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## Reserves and Contingent Resources Definitions

### Characterization of Petroleum Initially in Place (PIIP)



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## Reserves and Contingent Resources Definitions

The following definitions and cautionary notes are provided to assist investors in their understanding of Encana's disclosure of reserves and contingent resources. The definitions relating to reserves are those prescribed under the rules of the U.S. Securities and Exchange Commission, which broadly align with the comparable definitions under National Instrument 51-101 of the Canadian Securities Administrators. The definitions relating to contingent resources are those set forth in the Canadian Oil and Gas Evaluation Handbook.

### Reserves

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.

Reserves are further categorized according to the level of certainty associated with the estimates and may be sub-classified based on development status.

#### • Proved (1P or P1)

Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with a reasonable certainty to be economically producible – from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations – prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

#### • Probable (P2)

Probable reserves are those additional reserves that are less certain to be recovered than proved reserves, but which, together with proved reserves, are as likely as not to be recovered.

#### • Possible (P3)

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

#### • Developed Reserves

Developed oil and gas reserves are reserves of any category that can be expected to be recovered through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well.

#### • Undeveloped Reserves

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

#### • Reasonable Certainty

If deterministic methods are used, reasonable certainty means a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least 90% probability that the quantities actually recovered will equal or exceed the estimate. A high degree of confidence exists if the quantity is much more likely to be achieved than not.

### Contingent Resources

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage.

Contingent resources are further categorized according to the level of certainty associated with the estimates and may be sub-classified based on economic viability.

#### • Low Estimate (1C)

This is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

#### • Best Estimate (2C)

This is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

#### • High Estimate (3C)

This is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

#### • Economic Status

Economic contingent resources are those contingent resources that are currently economically recoverable. In examining economic viability, the same fiscal conditions should be applied as in the estimation of reserves.

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## Committed to Responsible Development



- Encana's commitment
  - People
  - Safety
  - Environment
  - Engagement
  - Community Investment
- Encana actively working with regulators to:
  - Increase transparency
  - Improve public education
  - Achieve higher safety standards
  - Reduce surface footprint
  - Lower carbon footprint

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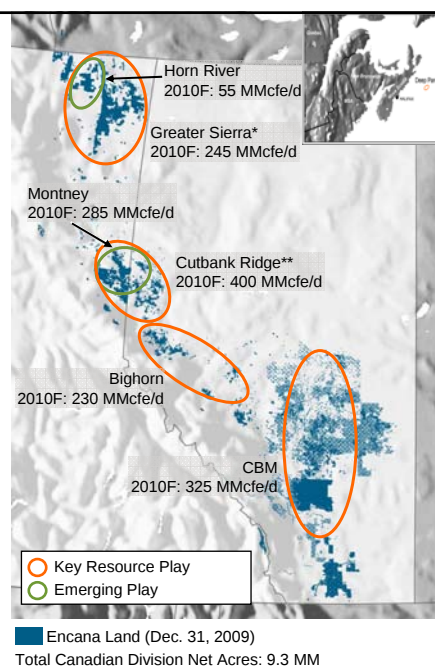


## Canadian Division

### Strategic Focus

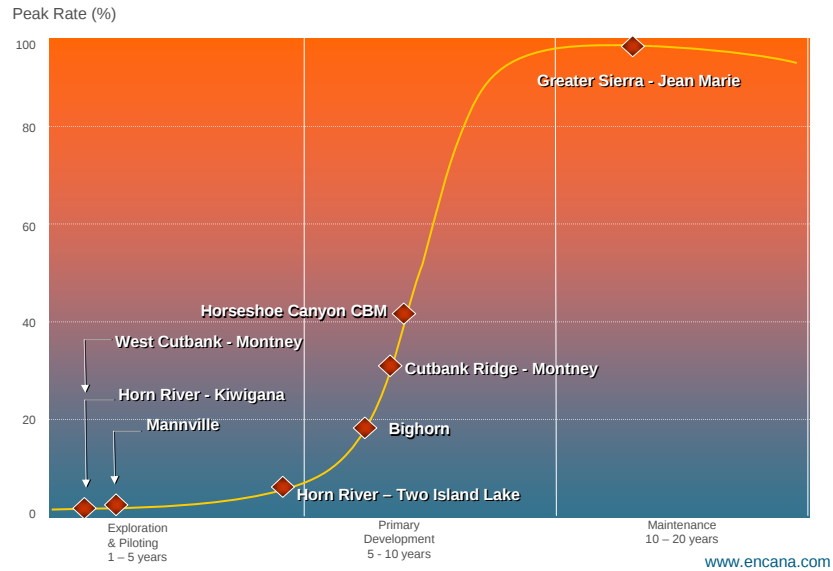
- Operate safely with minimal environmental impact
- Deliver high return growth
- Leverage technology advancements and operational efficiencies to lower capital costs
- Actively manage portfolio to maximize value
- Secure license to operate
- Fully integrated supply management strategy

\*Greater Sierra production includes Horn River;  
\*\* Cutbank Ridge production includes Montney.



## Key Resource Play Life Cycle

### Canadian Division



## Reserves & Resource Potential

### Canadian Division

#### Total net well inventory

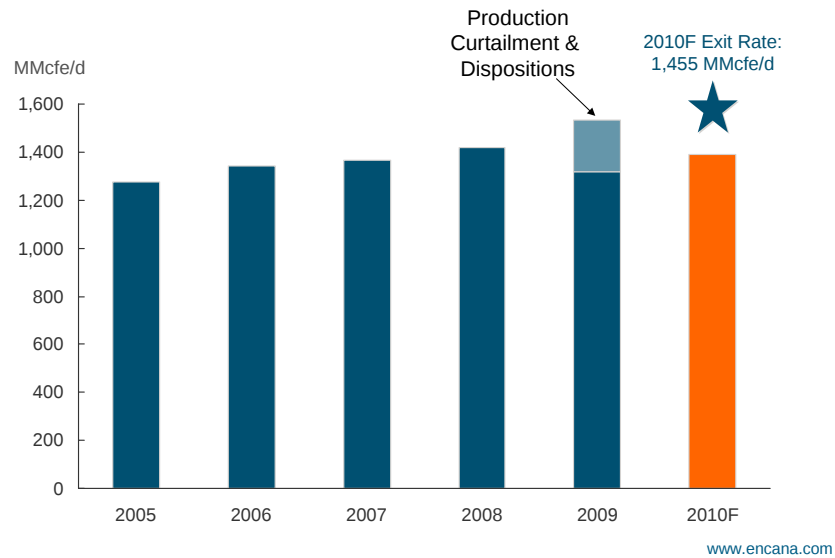
- 1P + 1C = 15,500
- 3P + 3C = 21,200

| Reserves (Tcfe)                      |      |      |
|--------------------------------------|------|------|
| 1P                                   | 2P   | 3P   |
| 5.9                                  | 8.1  | 9.4  |
| Economic Contingent Resources (Tcfe) |      |      |
| 1C                                   | 2C   | 3C   |
| 5.5                                  | 13.3 | 21.3 |



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## Canadian Division Production

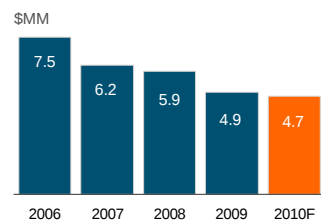


## Keys to Unlocking Unconventional Gas

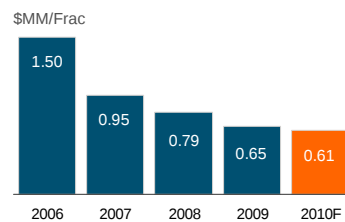
Continuing Operational Improvements

### Well Cost Evolution (\$C)

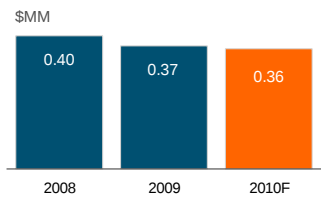
Bighorn – DC&T (vertical wells)



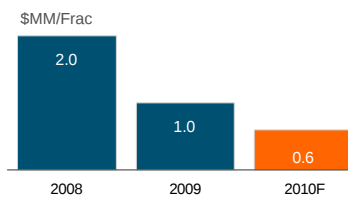
Montney - Per Interval



CBM – DC&T



Horn River – Per Interval



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## Keys to Unlocking the Unconventional Revolution

### Continuing Operational Improvements

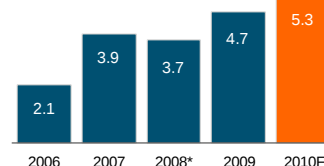
#### 30 Day Average IP (MMcfe/d)

- Increased frac stages
- Increased water volumes
- Enhanced pay selection



#### Montney

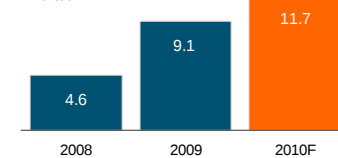
MMcfe/d



\*Decrease due to stepping out of core

#### Horn River

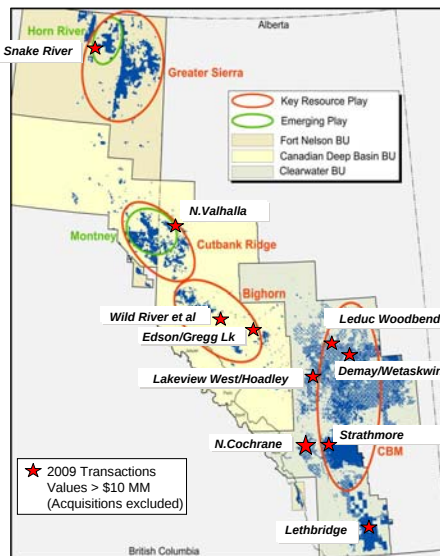
MMcfe/d



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## Canadian Division

### Joint Venture Activity



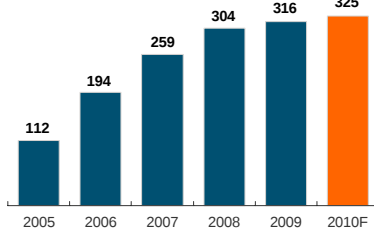
- Very active: 30+ deals
  - C\$1.8 billion capital contributed via partners
  - 760+ gross well commitments
    - 469 wells drilled
  - 4 million acre commitment
- C\$650 million commitments in place for 2010

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## CBM

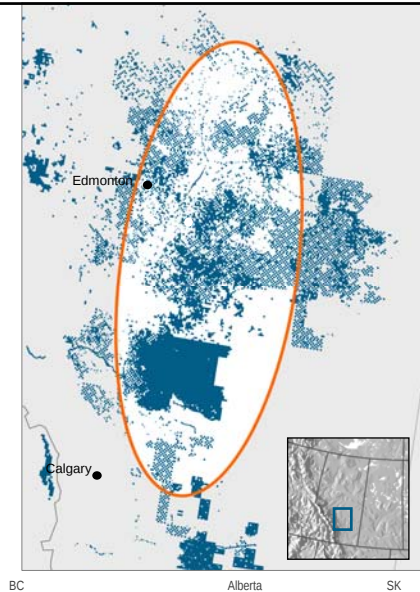
### Production

MMcfe/d



### 2010 Objectives

- Continue to grow the Integrated Horseshoe Canyon (HSC) CBM
- Maintain operational efficiencies
- Continue to build surface land inventory

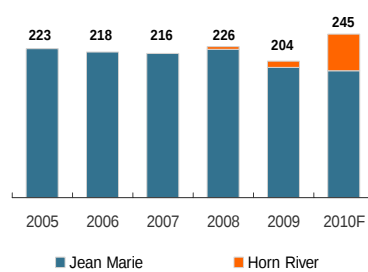


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## Greater Sierra

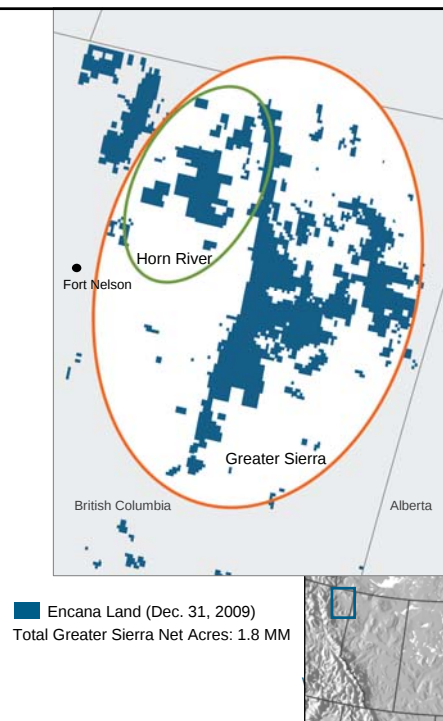
### Production

MMcfe/d



### 2010 Objectives

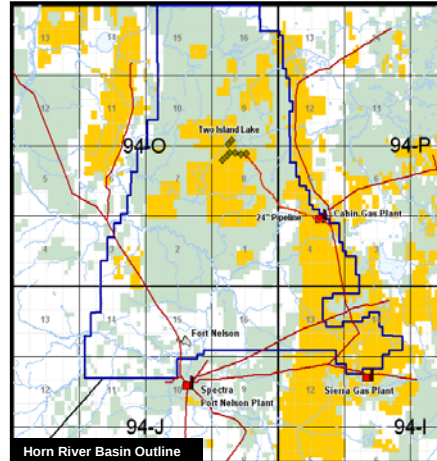
- Premier safety culture
- Execute with excellence
- Manufacturing approach
- Continuous improvement
- JV to maximize asset value



## Horn River Basin

### Emerging Shale Gas Opportunity

- Drill depth: 9,000 feet
- NGIP (net): 70-100 Tcf
- 2014F production: >500 MMcfe/d
- 2010F program
  - 41 gross wells; 19 – 23 fracs per well
  - Gas factory of 16 wells from a single pad
  - 100 MMcf/d exit (gross)
  - Advance Cabin Gas Plant (400 MMcf/d)
- Infrastructure
  - Current processing and takeaway capacity 100 MMcf/d; Up to 400 MMcf/d in 2012F
- Royalties: NPI in ring fence 2% until payout
- No land retention concerns



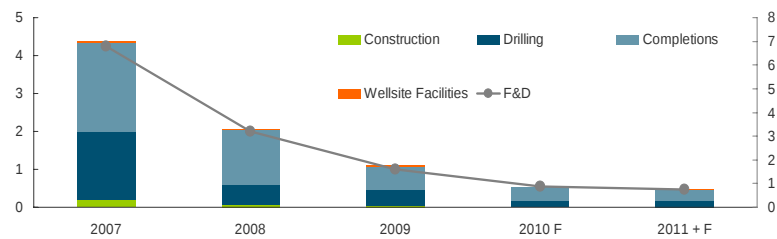
[www.encana.com](http://www.encana.com)

## Horn River Cost Performance

### Leveraging Technology

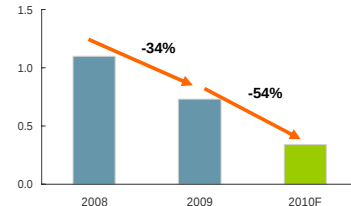
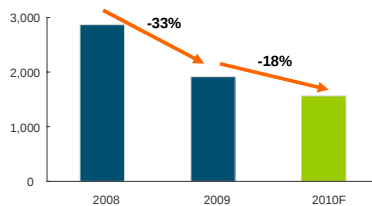
Capex per Stage (\$C MM/frac)

F&D (\$C/Mcf NRI)



Drill Costs per Lateral Meter (\$C)

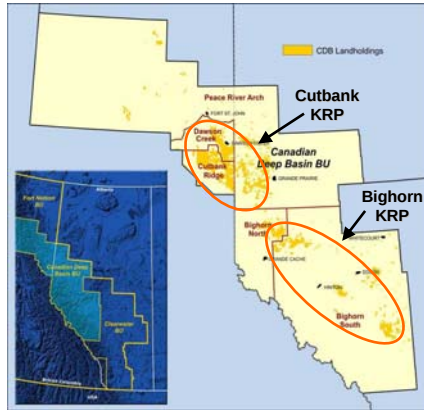
Completions Cost per Frac (\$C MM)



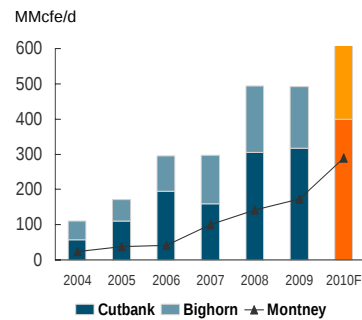
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## Canadian Deep Basin

### Overview



### Key Resource Play Production



### Land holdings

- ~1,872,000 net acres
- 2,925 net sections

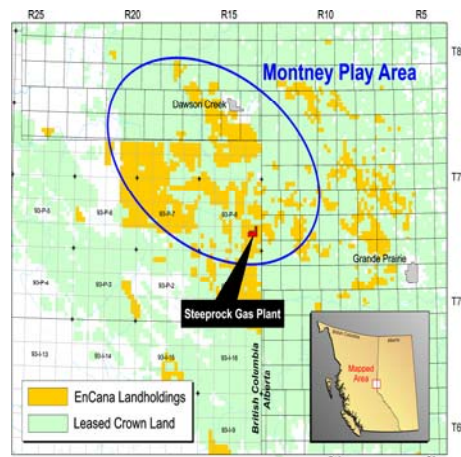
- ~1,800 producing wells
- 3,754 km of pipelines
- ~630 MMcf/d processing capacity

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## Montney

### Exciting Development Opportunity

- Drill depth: 9,000 feet
- NGIP (net): ~70 Tcf
- 2014F production: >600 MMcfe/d
- Recent 30 day IPs: Up to 10 MMcf/d
- 2010F: 40 wells
- Wells/section: 4 – 8
  - Average 8 intervals per well
  - Up to 14 intervals per well
- Infrastructure:
  - Steeprock gas plant current capacity of 140 MMcf/d, acquired additional 200 MMcf/d capacity for 2009 – 2011



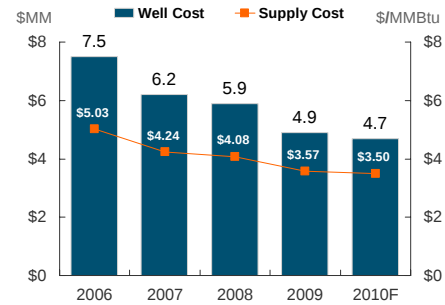
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## Bighorn

### Cost Improvement Initiatives

- Execution excellence
  - Load leveled-operations
  - Concurrent completions
  - Optimized frac designs
  - Continuous improvement
- Lower service costs
- Net impact
  - Reduced per well costs by \$1 million in 2009
  - Lowered supply cost by 30% since 2006

### Vertical Well - DC&T Capital

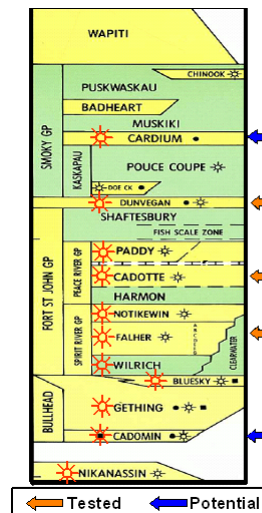
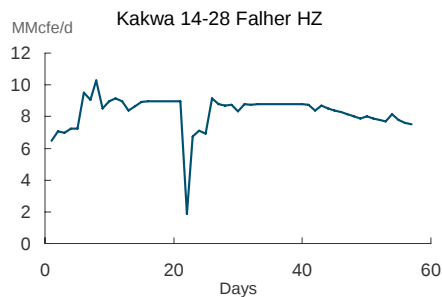


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## Bighorn – The Next Phase

### Horizontal Drilling

- Apply Cutbank KRP technology & experience
- Target thick sections of the stack
  - Dunvegan, Falher, Cadotte
  - >20 Bcf/Section NGIP
- AB deep gas royalty holiday
  - \$3+ MM credit for wells >4,000m MD
- Encouraging results to date



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## Deep Panuke Development Project Nova Scotia, Canada

### 1 Drilling and Completions

- Re-complete four existing production wells
- Drill and complete one new Acid Gas Injection well
- Install subsea production trees

### 4/5 Production Field Centre

- Self-installing, 4-leg facility capable of producing 300 MMcf/d
- Facility constructed, installed and operated by SBM under long term lease and operating contracts.

### 2 Subsea

- Install individual well tieback flow lines, umbilicals, control systems, protection structures
- Flowlines and umbilicals to be trench and buried

### 3 Export Pipeline

- Install export pipeline to shore
- Onshore 3 km line and tie-in to existing M&NP pipeline connecting to USA and Canadian markets
- Line trench and buried approx. 50% of length.

First Production: 2011F

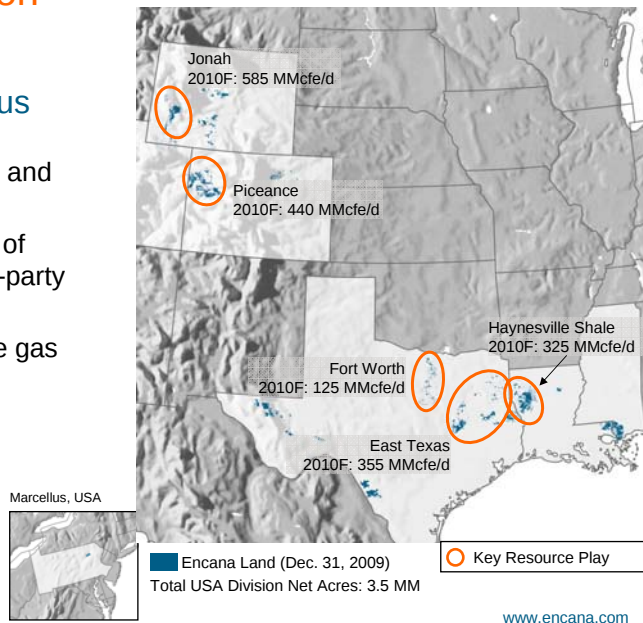
The **New** Encana:  
the clear energy choice

## USA Division

## USA Division

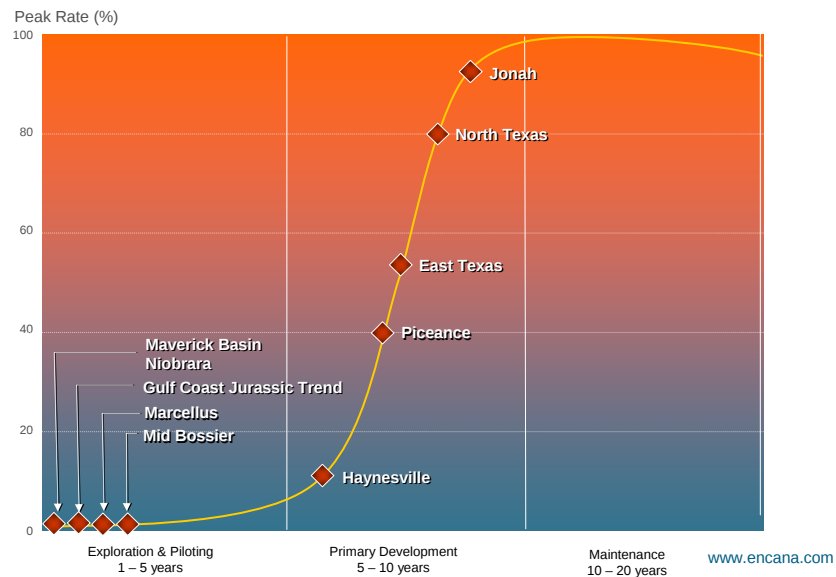
### Strategic Focus

- Foster strong environmental and safety culture
- Maximize use of available third-party funding
- Advance shale gas technology



## Key Resource Play Life Cycle

### USA Division



## USA Division

Total Resource

Total net well inventory

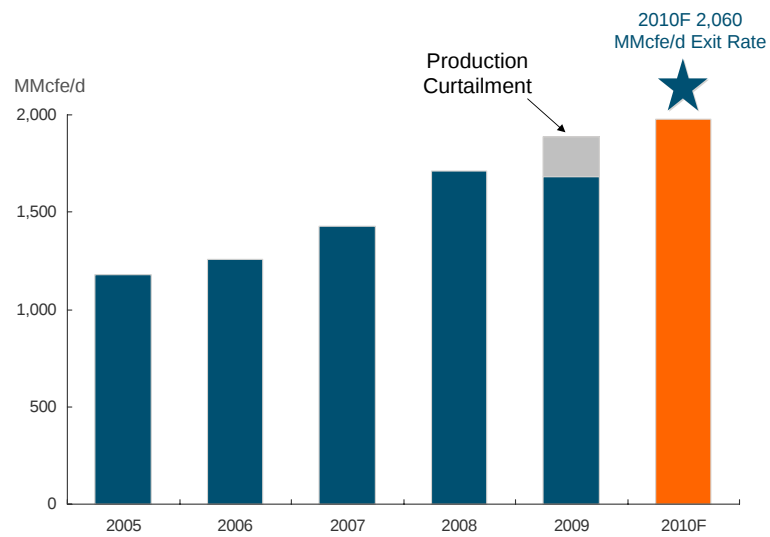
- $1P + 1C = 7,600$
- $3P+3C = 18,300$

| Reserves (Tcfe)                      |      |      |
|--------------------------------------|------|------|
| 1P                                   | 2P   | 3P   |
| 6.9                                  | 11.4 | 14.3 |
| Economic Contingent Resources (Tcfe) |      |      |
| 1C                                   | 2C   | 3C   |
| 10.4                                 | 22.7 | 36.6 |



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## USA Division Production Growth



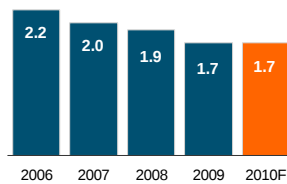
[www.encana.com](http://www.encana.com)

## Keys to Unlocking Shale Gas

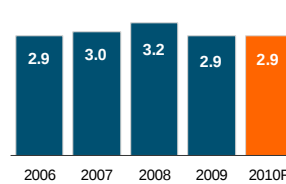
Continuing Operational Improvements

### 15 – 20% Reduced Well Cost DC&T

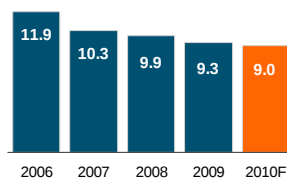
Piceance  
\$MM



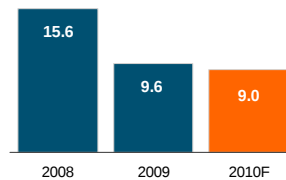
Jonah  
\$MM



East Texas Deep Bossier  
\$MM



Haynesville  
\$MM



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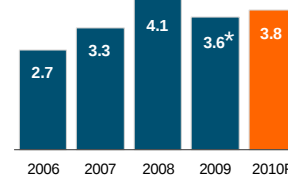
## Keys to Unlocking Shale Gas

Continuing Operational Improvements

### 50% to 150% Improvement in 30 Day Average IP

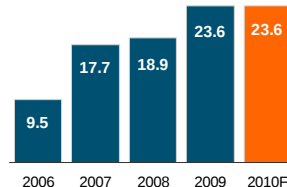
- Increased frac stages
- Increased water volumes
- Enhanced pay selection

Jonah  
MMcfe/d

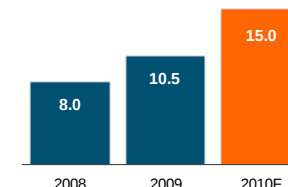


\*Decrease due to down spacing

East Texas Deep Bossier  
MMcfe/d



Haynesville  
MMcfe/d



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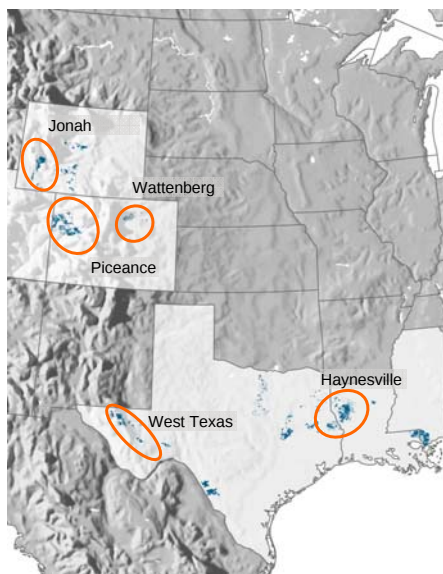
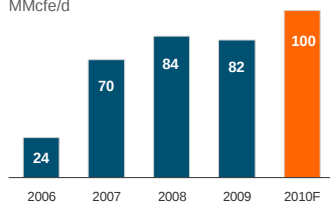
## USA Division

### Joint Venture Activity

- Very active: over 30 partners
- Attracted \$2.4 billion capital
  - \$0.9 billion deployed by YE09
  - \$1.5 billion to be invested over next 3 years
- 1,784 gross well commitments
  - 426 wells drilled
- 2010 commitments in place
  - \$300 million

### Production from Third Party Capital

MMcfe/d

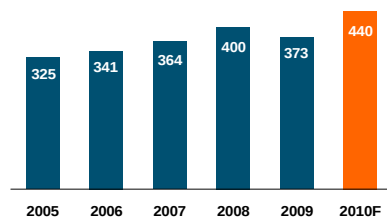


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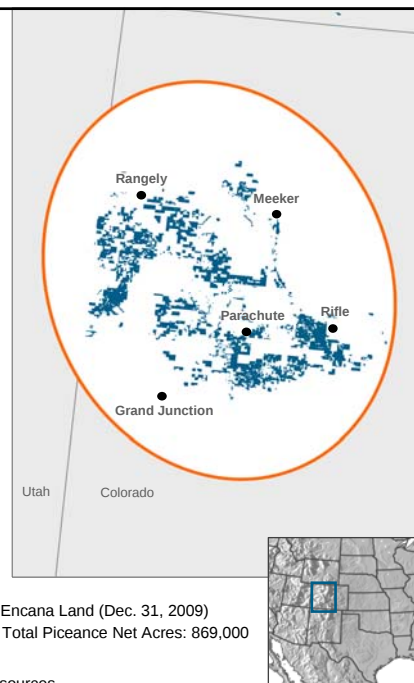
## Piceance

### Production

MMcfe/d



- Large, repeatable inventory
- Low geologic and reservoir risk
- Third party capital enhancing returns
  - \$750 million deployed since 2006
  - \$370 million additional committed
  - 2009 F&D = \$0.58/Mcfe



F&D based on 1P Reserves & 1C Economic Contingent Resources

## Piceance Gas Factory

### Results

- Reduce truck trips  
>50,000/year
- Reduce pad-to-pad rig moves
- Recycle > 90% of produced water
- Reduce drilling & completion cycle time
- Optimize frac efficiency
- Optimize production via gas lift
- Expanding utilization throughout Encana



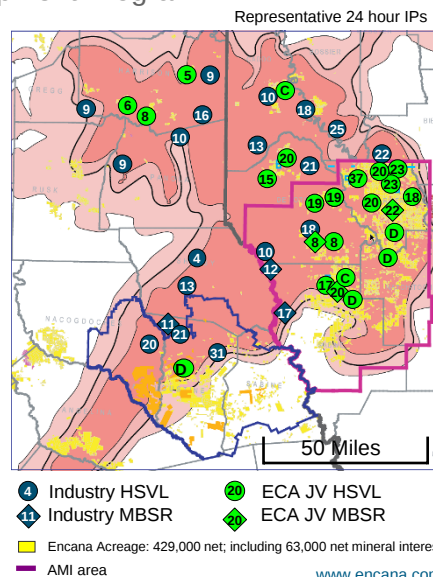
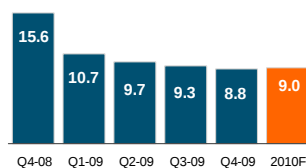
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## Haynesville Shale

### Advancing the 2010F Development Program

- Drill depth: 11,000 – 14,000 feet
- NGIP: 175 – 225 Bcf/section
- 2014F production: >1.2 Bcfe/d
- 2010F Program
  - Focused on land retention
  - 110 net wells
  - 325 MMcfe/d
  - Mid Bossier testing
  - Gas factory pilot – surface and drilling optimization
  - San Augustine extension

### DC&T Costs

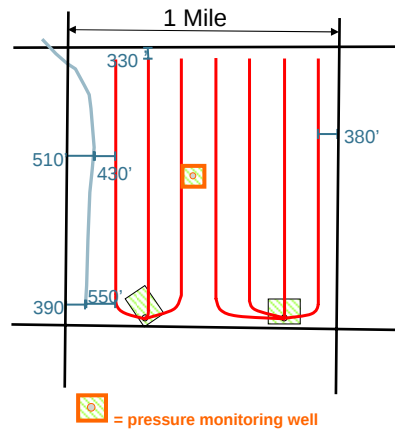


## Haynesville

### Manufacturing Process

#### Step Change in Development

- Gas Factory
  - Multi-well pads; simultaneous operations
  - Manufacturing process
  - Skidding FFP rigs
  - Single pipeline connection
  - Reduced overall foot print
- Downhole spacing ~660 feet
- Well orientation N-S
- 4,000'+ laterals (12+ stages)
- Improved overall gas recovery

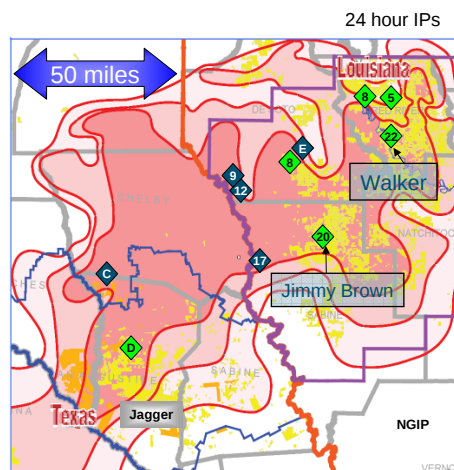
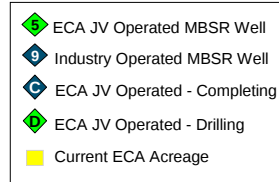


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## North Louisiana SBU

### Mid Bossier Shale

- 100 to 200 Bcf/section NGIP
- Encouraging results
- High quality shale as good as Haynesville
- 10-15 wells for 2010F
- 150,000 to 200,000 acres
- 5 Tcfe resources (2C economic contingent resources)\*
- 1 Tcfe reserves (2P proved + probable)\*



NGIP = Natural Gas Initially in Place

\*Evaluated by Independent Qualified Reserves Evaluators as at December 31, 2009

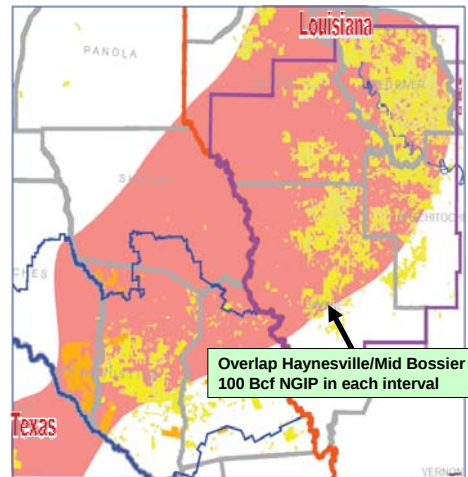
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## Haynesville and Mid Bossier

Overlap of 100 Bcf/section NGIP in each zone

Imagine...

- Stacked pay
- 14 Tcfe resource (2C economic contingent resources)\*
- 2 Tcfe reserves (2P proved + probable)\*
- Potential longer laterals
- Double well count
- Double production volumes
- Existing infrastructure



NGIP = Natural Gas Initially in Place

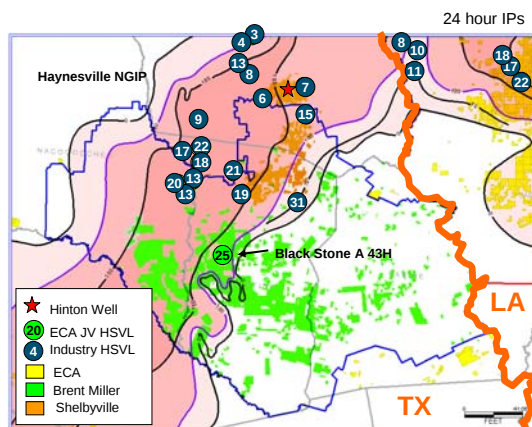
\*Evaluated by Independent Qualified Reserves Evaluators as at December 31, 2009

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## Sabine SBU

Extending Haynesville and Mid Bossier Potential

- Brent Miller JV
  - ~45,000 net prospective acres
- Blackstone A43 H success
  - 32 MMcfe/d IP
  - 9,500 psi back pressure
- Shelbyville JV
  - ~10,000 net prospective acres
  - Hinton well logs encouraging
- Rock quality equivalent to or better than LA Haynesville
- Provides optionality to Haynesville program



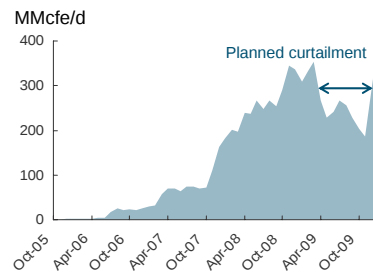
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## Amoruso Development Expanding

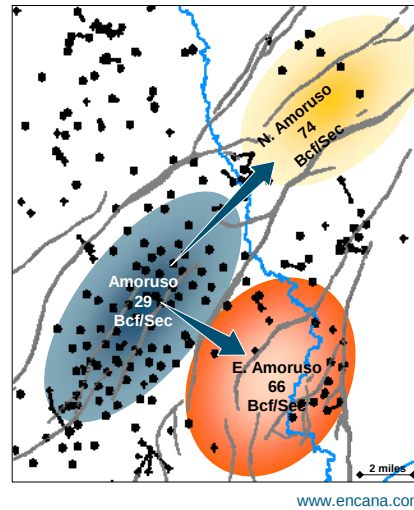
### Growth

- Successful step-out to East
- Testing 2-4 analogous prospects
- Working to unlock tight sand potential in northern area

### Deep Bossier Net Production

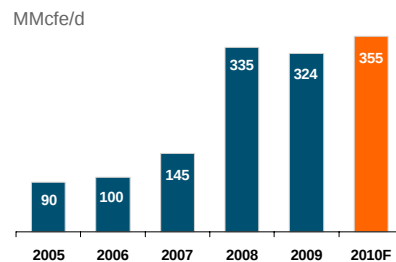


### Deep Bossier Development



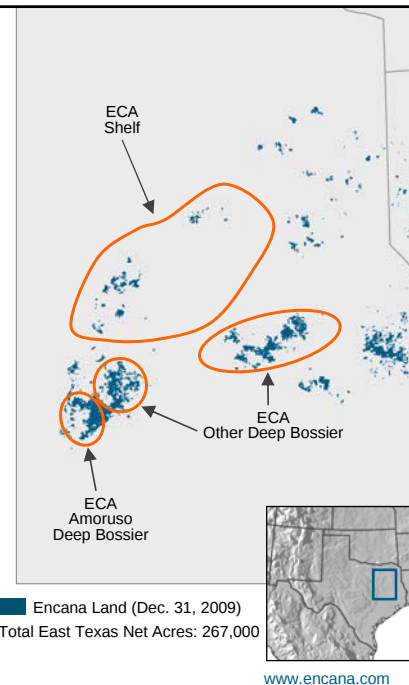
## East Texas

### Production



### 2010 Objectives

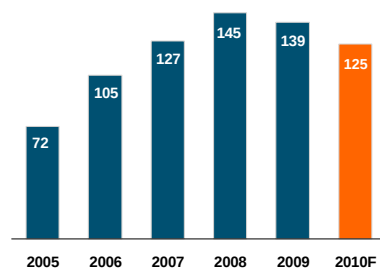
- Provide growth in production & reserves
- Reduce funding to support Haynesville land retention strategy
- Test analogous Deep Bossier prospects
- Prep for future expanded capital programs



## Fort Worth - Barnett Shale

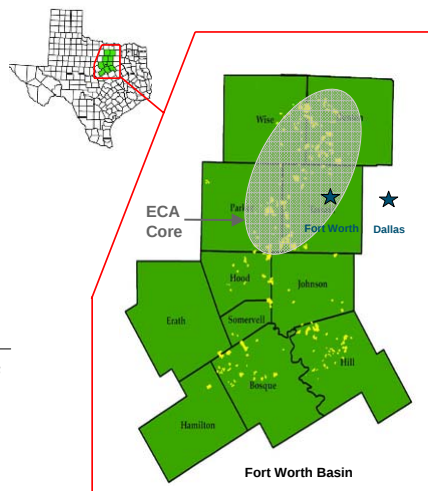
### Production

MMcfe/d



### 2010 Objectives

- Sustain land position
- Continue to high grade inventory
- Advance completion technology



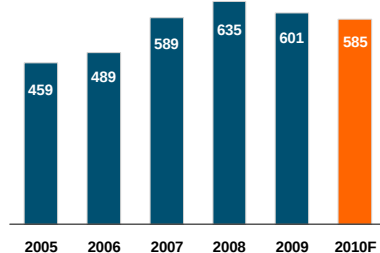
Encana Land (Dec 31, 2009)  
Total Fort Worth Basin Net Acres: 76,500

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## Jonah

### Production\*

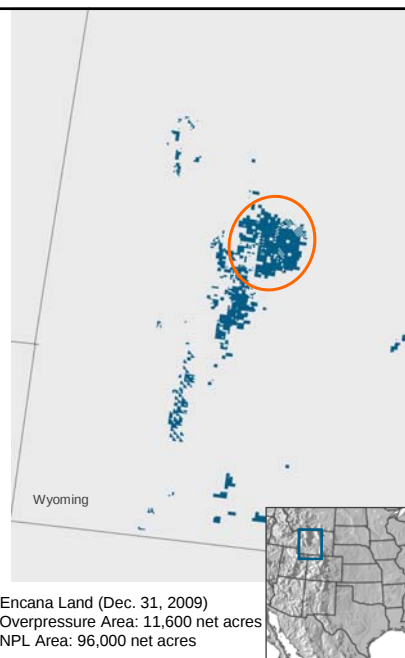
MMcfe/d



### 2010 Objectives

- Maintain 6 rig program
- Increase economic well inventory
- Reduce air emissions by 1/3

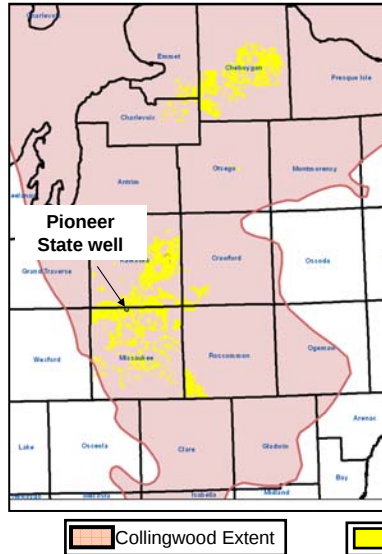
\*Production for overpressure and NPL areas



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## Michigan Basin Collingwood Shale

Early Entry – First Mover Advantage



### Collingwood/Utica Shale

- Vertical depth: 4,000 to 9,500 feet
- 250,000 net acres
  - Acquired at ~\$150/acre
- 2010F program
  - Potential for at least 2 more wells
- 7 year leases in 7 counties, including
  - Cheboygan
  - Kalkaska
  - Missaukee



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The New Encana:  
the clear energy choice

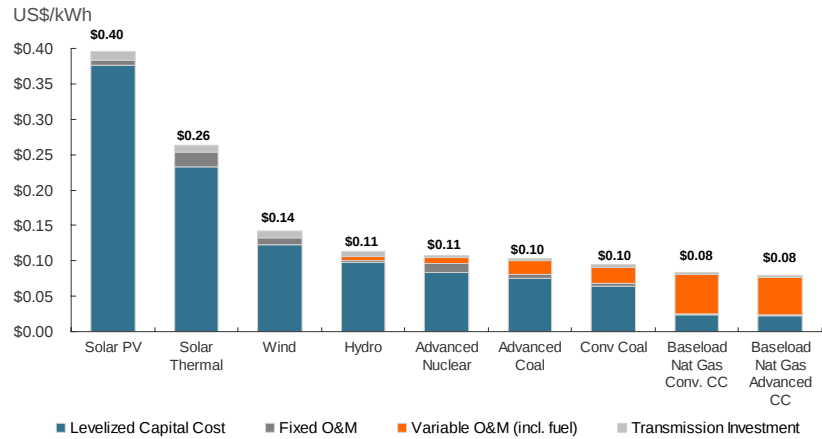
### Natural Gas Economy

**encana**  
natural gas

## Natural Gas is the Most Affordable Choice

### Levelized Cost Profile of New Generation

#### Average Cost for Plants Entering Service by 2016



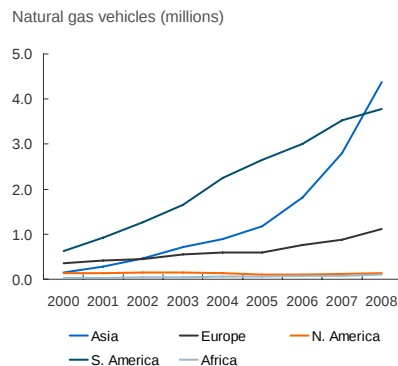
Source: EIA, Annual Energy Outlook 2009

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## North American Opportunity: Transportation

### Natural Gas Vehicle Growth by Continent

#### Natural gas vehicles by continent



#### Italy as an analog

- ~600,000 NGVs
- 37% growth since 2007
- NGVs have 7% market share of all new vehicles purchased
- Cost of CNG is 50% to 60% less expensive than gasoline
- Government incentives
- Italy imports 89% of natural gas

Fiat Qubo  
Natural Power



Source: IANGV, NGVA Europe, Fiat

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## Natural Gas Economy

### Encana's Natural Gas Transportation Project Activity



- Company CNG Stations forecast
  - Clearwater Q4 2010
  - Fort Nelson Q4 2010
  - DJ Basin Partnership Q3 2010
  - Colorado Western Slope Q3 2010
  - Coushatta, Louisiana Q3 2010
- Conversion of company trucks (approx 150)
- Calgary and Edmonton Clean City Projects
- East and West Canada Natural Gas Highways
- Colorado Natural Gas Corridor
- Haynesville Clean Development Project

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## Natural Gas Challenges & Opportunities

- Lower natural gas prices are likely here to stay!
- The natural gas industry must be advocates for increased usage of clean natural gas in North America
  - Expanded use for electricity generation
  - Develop a natural gas for transportation fuel strategy
  - Remove barriers to expanded natural gas usage, and prevent new barriers from being put in place



## Investor Relations Contacts

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Ryder McRitchie | Vice-President, Investor Relations  
403.645.2007 | [ryder.mcritchie@encana.com](mailto:ryder.mcritchie@encana.com)

Lorna Klose | Manager, Investor Relations  
403.645.6977 | [lorna.klose@encana.com](mailto:lorna.klose@encana.com)

