



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

Mike Graham | Executive Vice-President & President,
Canadian Division

Division Overview

Calgary | March 16, 2010
New York | March 18, 2010

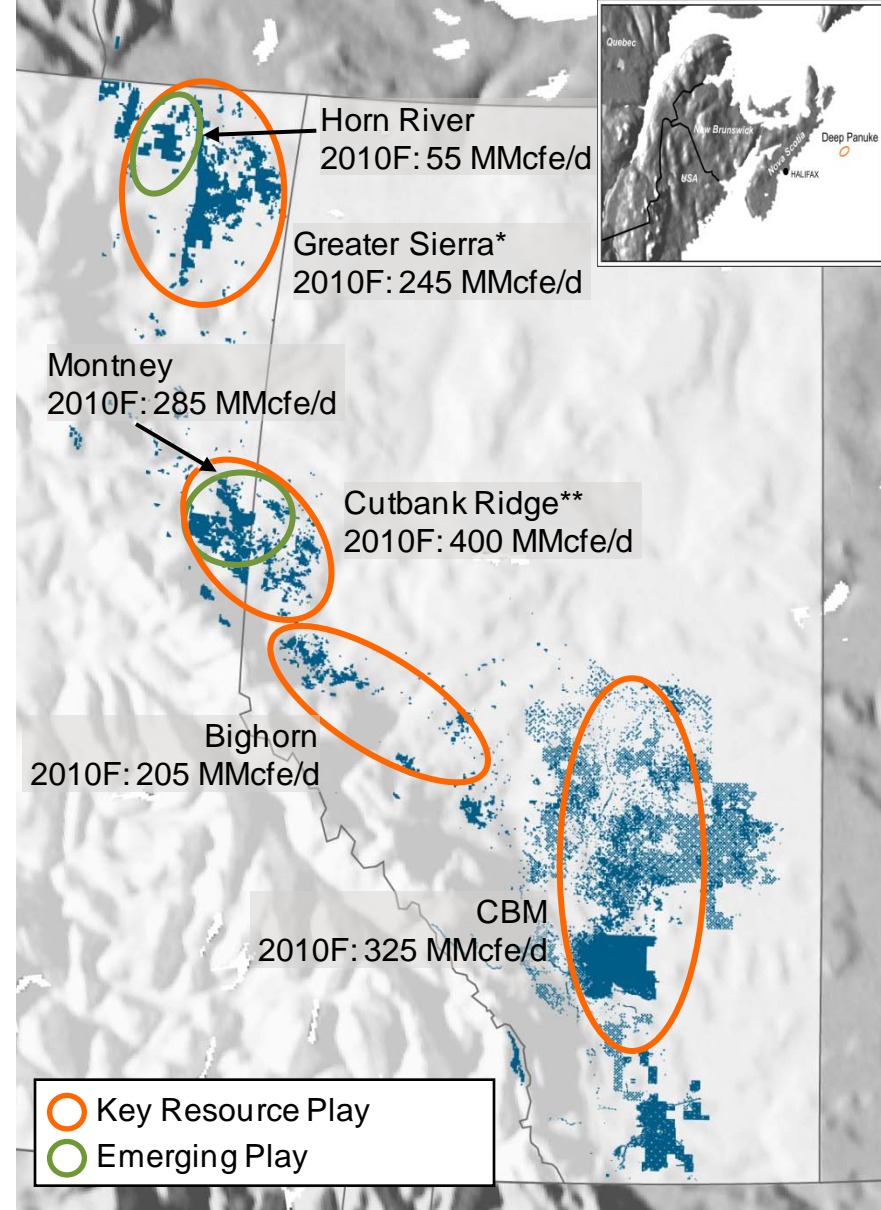
encana[™]
natural gas

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.

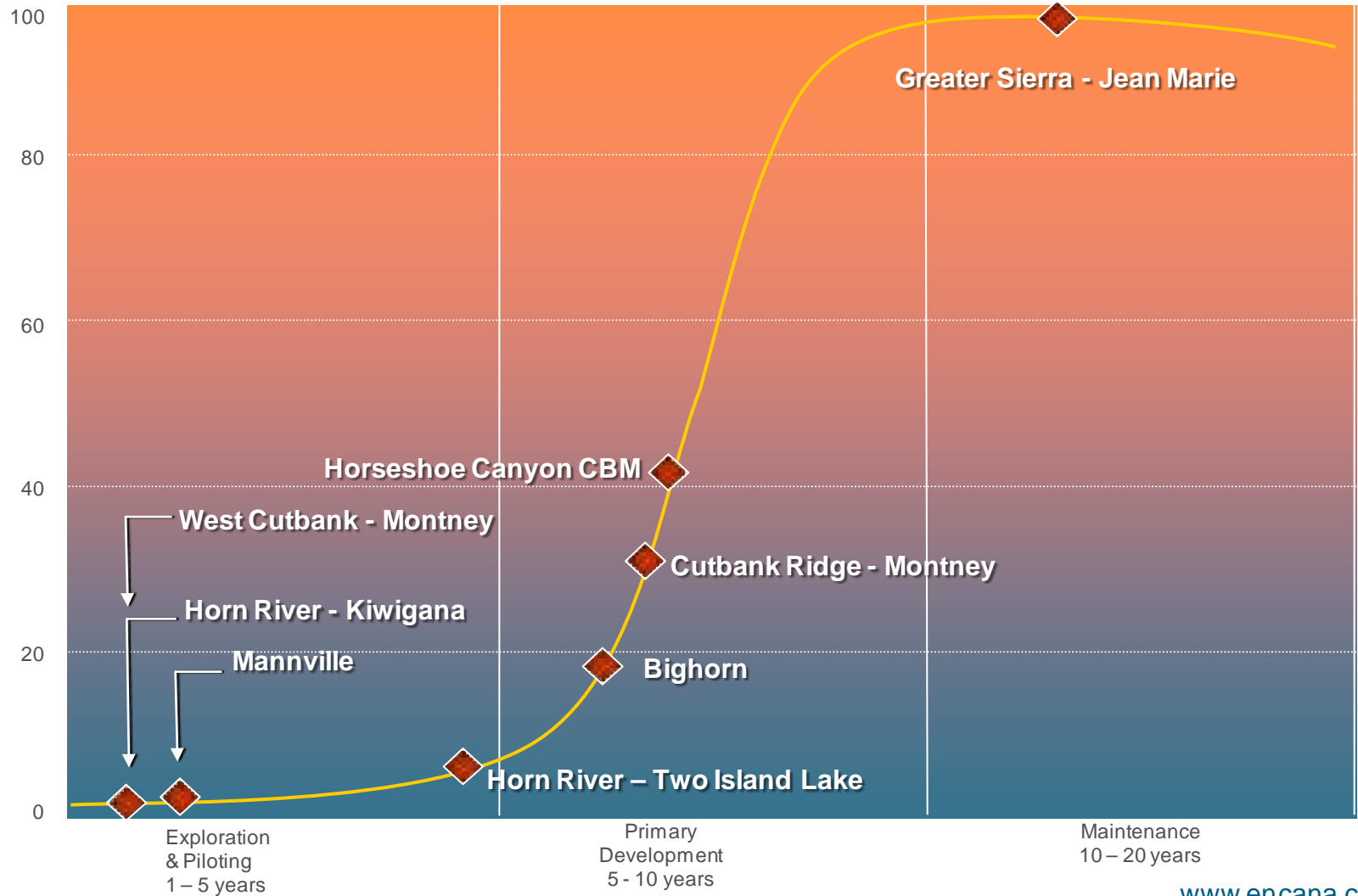


Encana Land (Dec. 31, 2009)
Total Canadian Division NetAcres: 9.3 MM

Key Resource Play Life Cycle

Canadian Division

Peak Rate (%)



Reserves & Resource Potential

Canadian Division

Total net well inventory

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

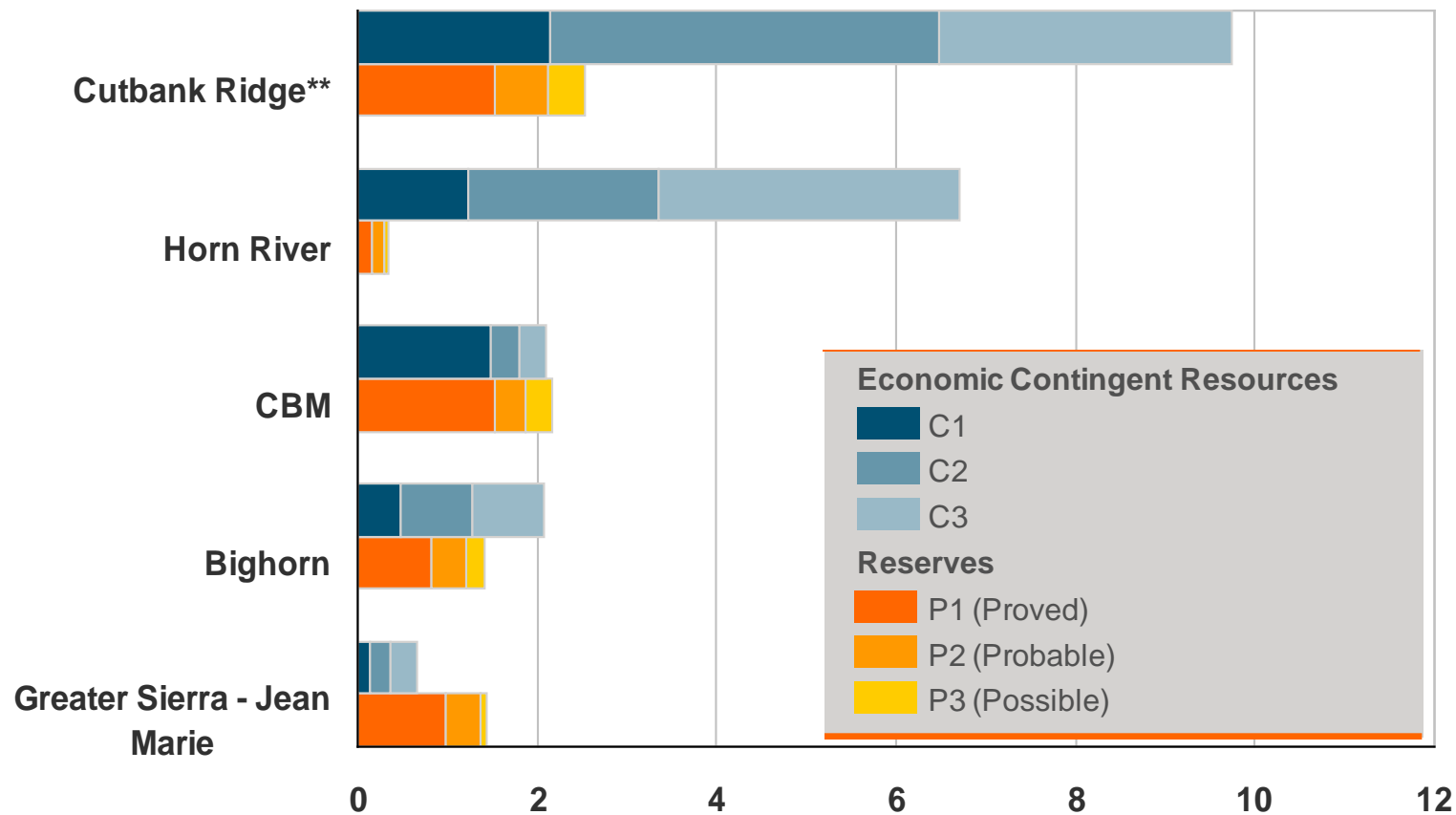
Reserves (Tcfe)		
1P	2P	3P
5.9	8.1	9.4
Economic Contingent Resources (Tcfe)		
1C	2C	3C
5.5	13.3	21.3



Canadian Division

Tremendous Resource Potential

Reserves and Economic Contingent Resources (Tcfe)*



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

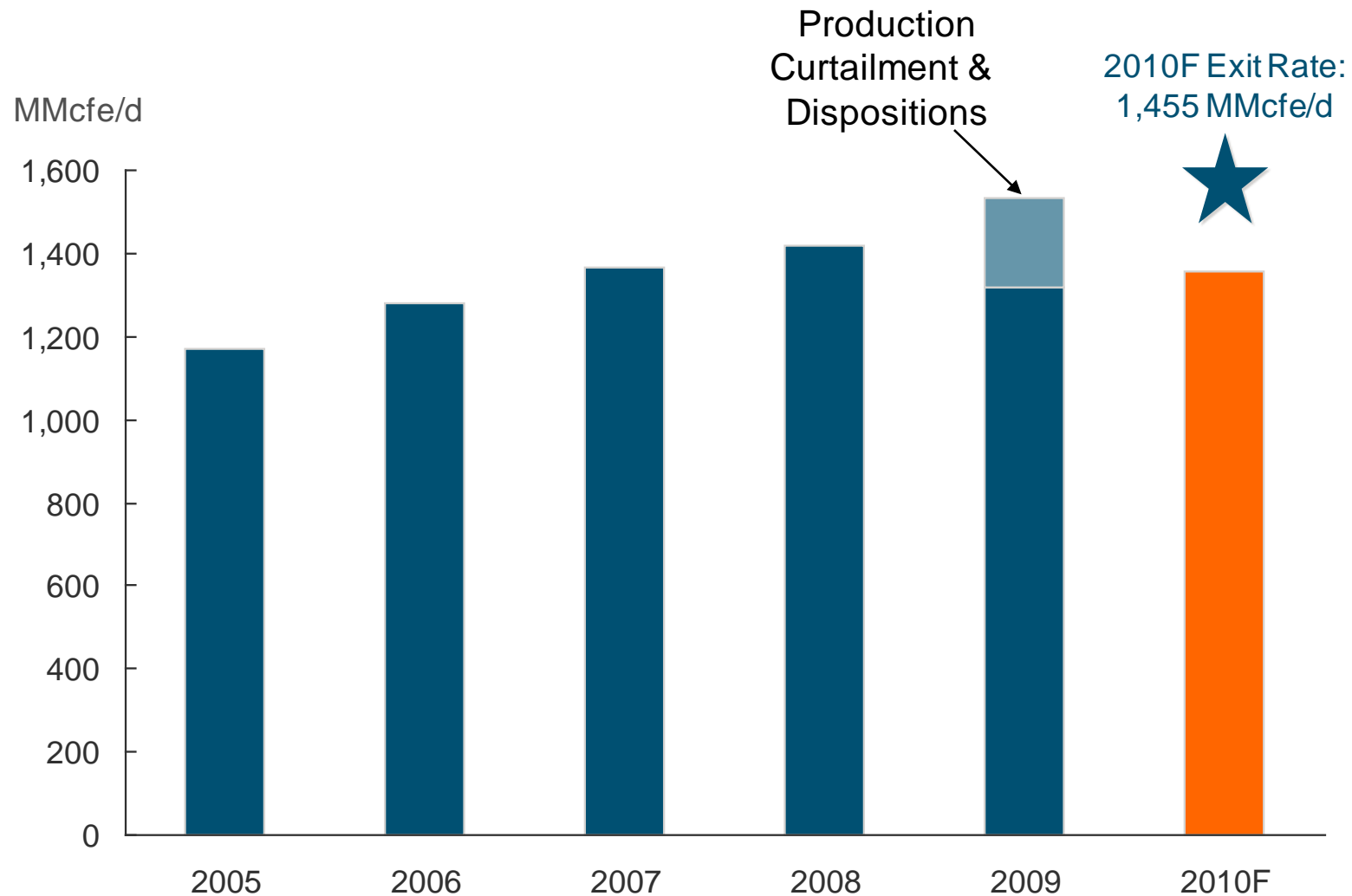
** Includes Montney

Canadian Division

High Value Inventory

	Net Acres (1,000s)	Inventory* (net wells)	2010F Net Well Count	Supply Cost (\$/MMbtu)
Horseshoe Canyon CBM	2,100	13,000	685	3.50 – 4.00
Bighorn	459	500	30	3.50 – 4.00
Cutbank Ridge	1,062	1,200	50	3.25 – 3.75
Greater Sierra - Jean Marie	1,502	500	25	3.50 – 4.00
Horn River	256	300	20	3.75 – 4.25
Total	5,379	15,500	810	3.25 – 4.25

Canadian Division Production

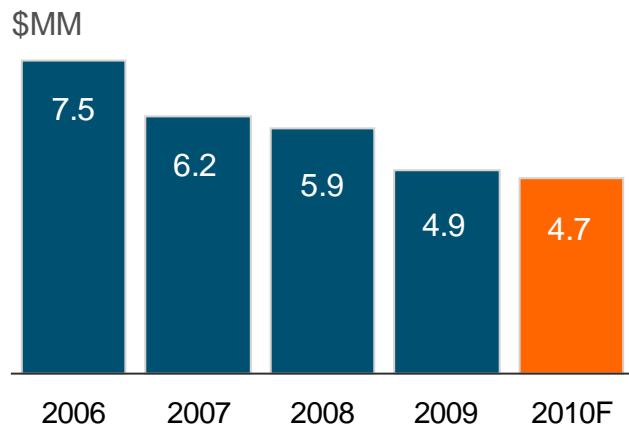


Keys to Unlocking Unconventional Gas

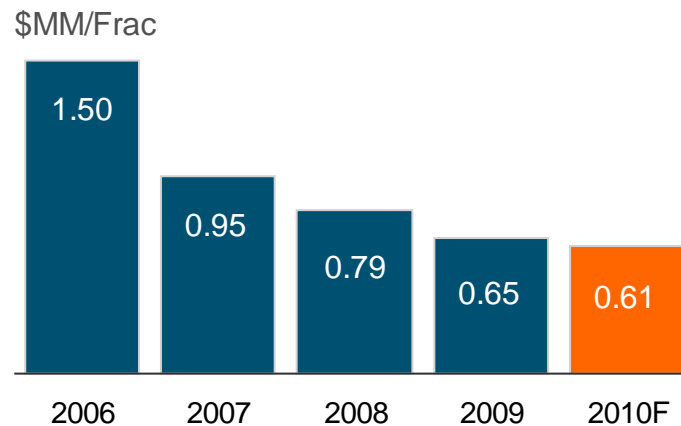
Continuing Operational Improvements

Well Cost Evolution (\$C)

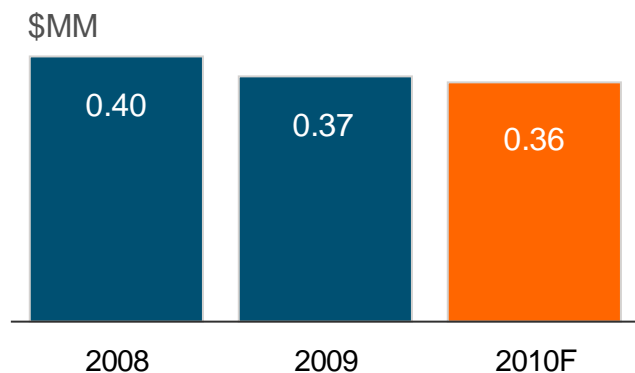
Bighorn – DC&T (vertical wells)



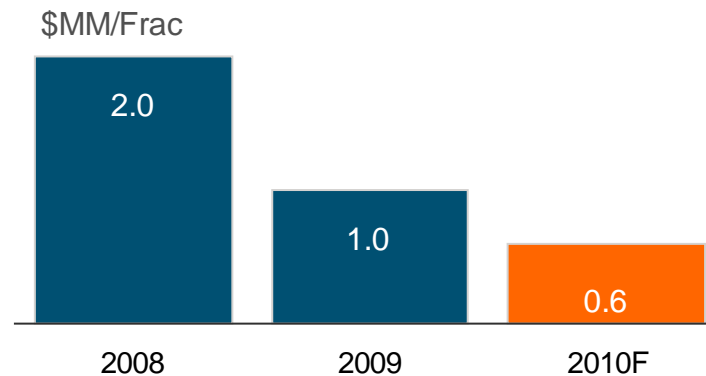
Montney - Per Interval



CBM – DC&T



Horn River – Per Interval



Keys to Unlocking the Unconventional Revolution

Continuing Operational Improvements

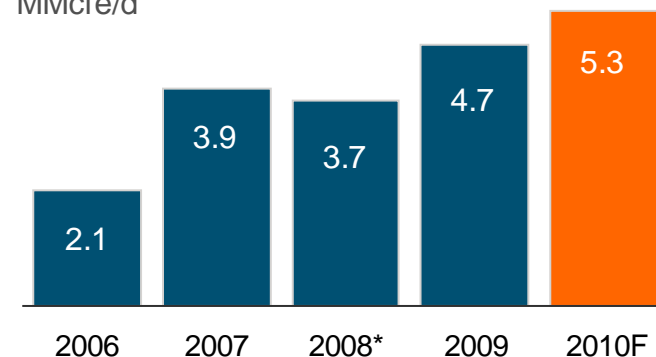
30 Day Average IP (MMcfe/d)

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



Montney

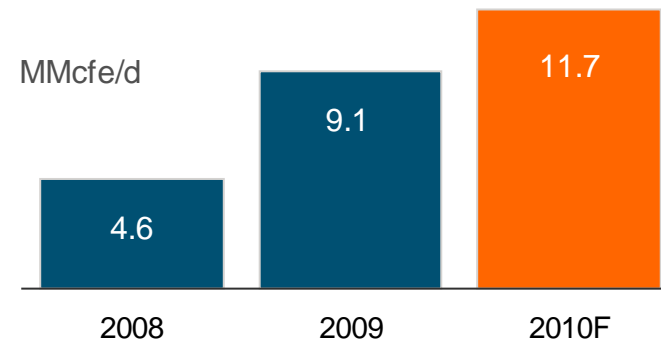
MMcfe/d



*Decrease due to stepping out of core

Horn River

MMcfe/d

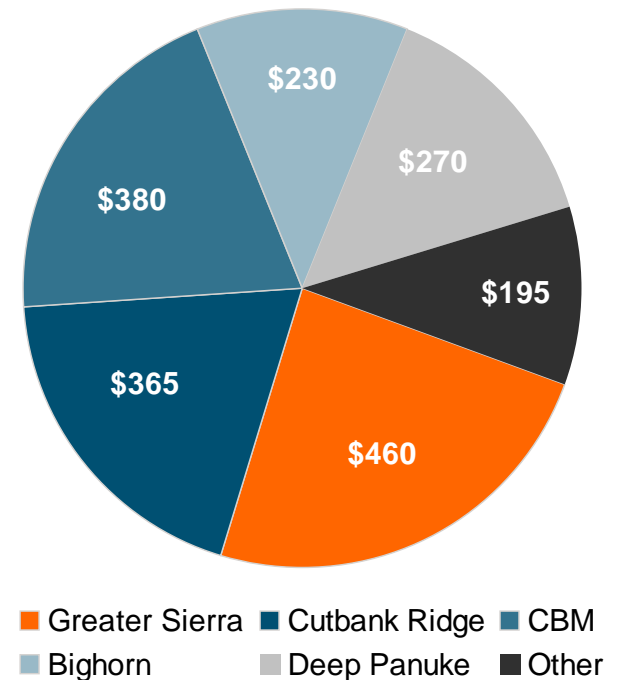


Canadian Division

2010 Budget Overview

	2009 Actual	2010F	% Change
Gas Production (MMcf/d)	1,224	1,280	5
Liquids production (Mbbbls/d)	16	13	-19
Total Production (MMcfe/d)	1,319	1,358	3
Exit Rate (MMcfe/d)	1,102	1,455	32
Core Capital* (\$MM)	1,873	1,900	1
Net Wells Drilled (#)	699	820	17
Total Operating Costs (\$/Mcf)	1.13	1.20	6

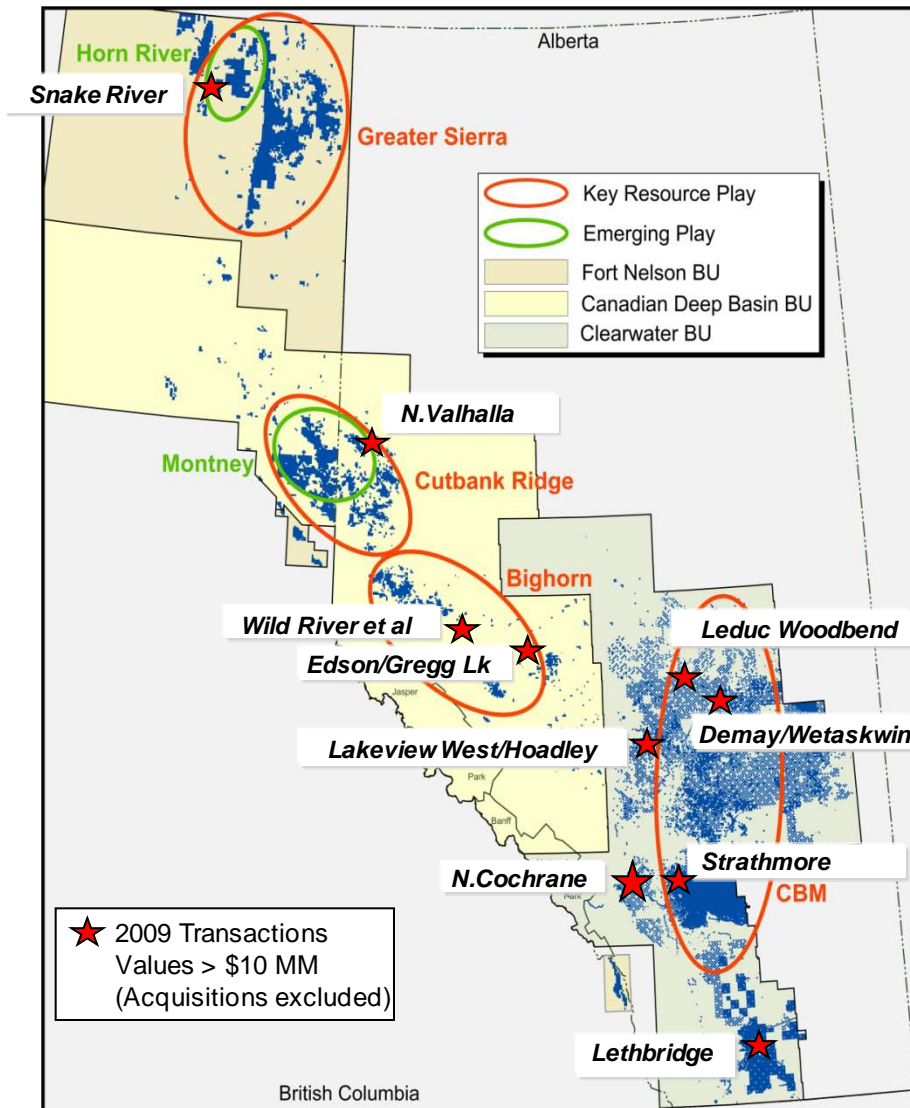
Capital by KRP (\$MM)



*Capital includes gas gathering operations and G&A

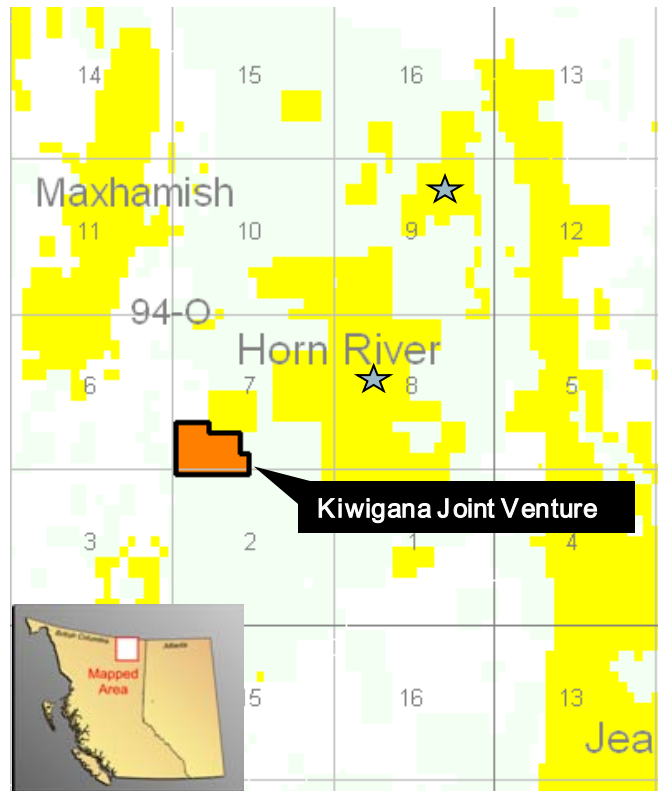
Canadian Division

Joint Venture Activity

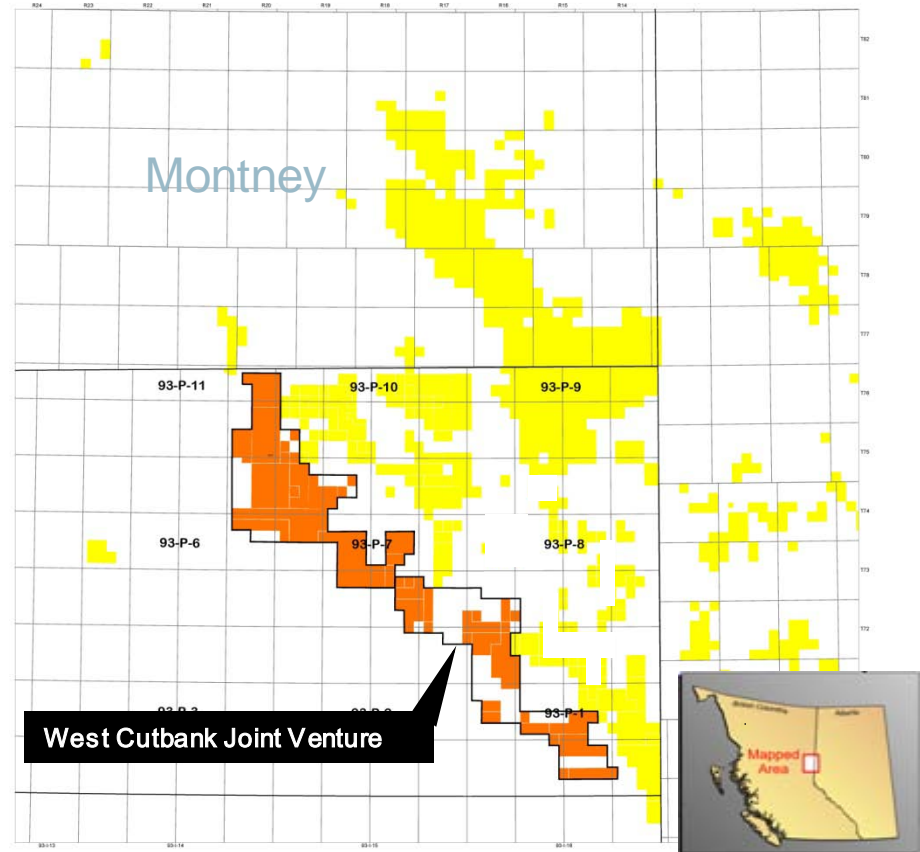


- Very active: 30+ deals
 - C\$1.8 billion capital contributed via partners
 - 760+ gross well commitments
 - 469 wells drilled
 - 4 million acre commitment
- C\$650 million commitments in place for 2010

Kogas Joint Venture



★ Area of Existing Production



- C\$565 million over 3 years to earn 12,500 net acres in the Horn River, 65,000 net acres in the Montney
- Accelerates value recognition beyond contingent resources
- Expands basin knowledge & application of technology

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

2 Subsea

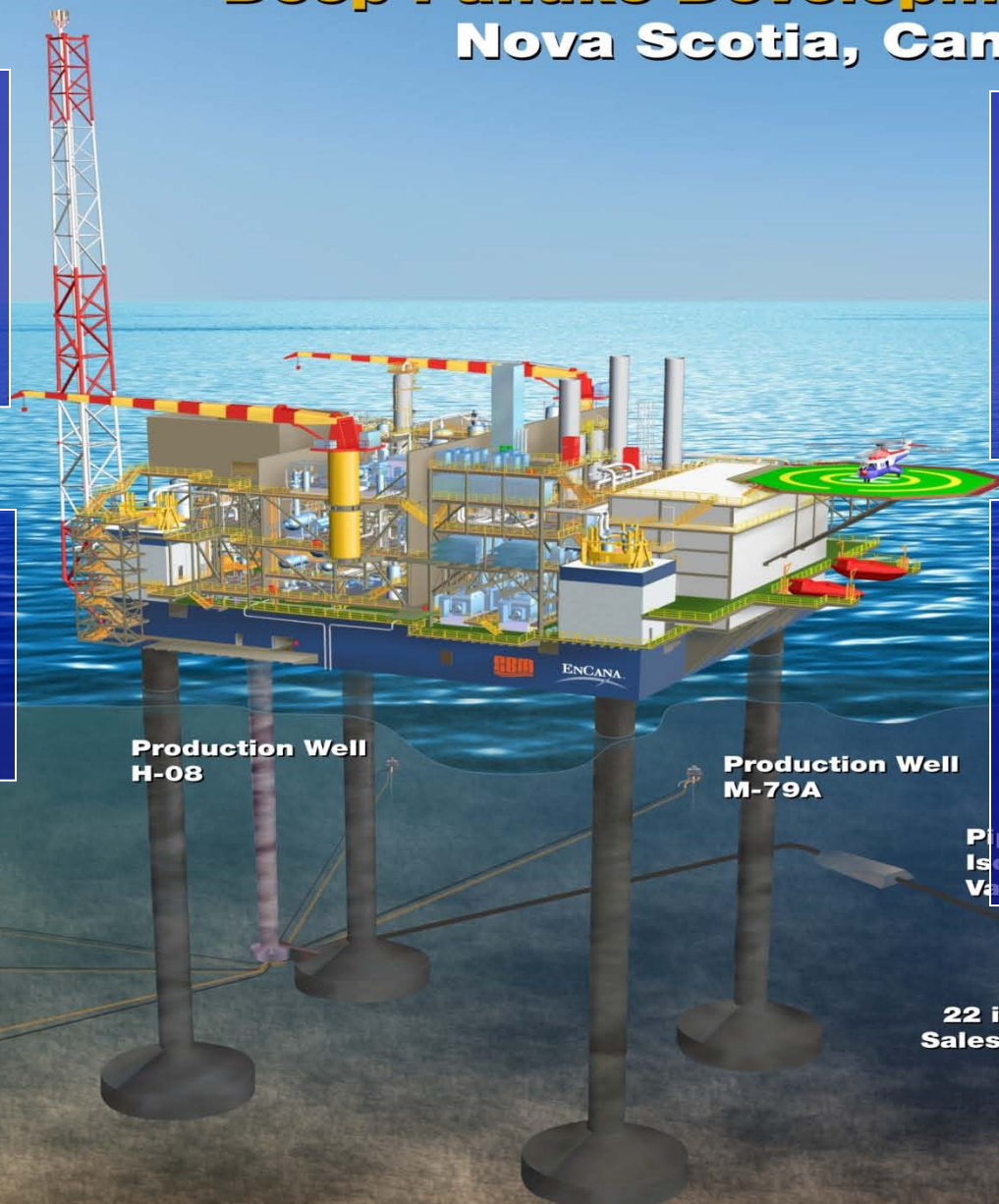
- Install individual well tieback flow lines, umbilicals, control systems, protection structures
- Flowlines and umbilicals to be trenched and buried

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.

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 trenched and buried approx. 50% of length.



Production Well D-41

Production Well F-70

Disposal Well E-70

Production Well H-08

Production Well M-79A

Pipe Isolation Valve

22 inch diameter Sales Gas Pipeline to shore

First Production: 2011



Canadian Division

Executing With Excellence

Supply Management

- Aggregation, buying power
- Economies of scale across division
- Dealing with preferred suppliers
- Looking to extend existing contracts

Continuous Improvement

- Efficiencies
- Logistics



Addressing Competitiveness in North America

Changes in 2009

British Columbia

- Stimulus package
 - Year 1 royalty reduction to 2%
 - Added infrastructure program
- Deep royalty program changes
- Net profit royalty program

Encana Response

- Relatively greater proportion of spend directed to B.C.

Alberta

- Stimulus package
 - Year 1 or 0.5 Bcfe royalty reduction to 5% (extended to 2 years)
 - Drilling credit @ \$200 per metre
- Development entity 2
- Investment competitiveness review

Encana Response

- Increased rig count/investment in the Deep Basin

Both jurisdictions are working hard at competitiveness, to which Encana has responded

Alberta Competitiveness Review

Announcement – March 11, 2010

- Fiscal Measures – Effective January 1, 2011
 - Front end royalty relief entrenched at 5%
 - Maximum royalty rate reduced to 36% for gas
 - Final royalty curves to be released May 31st
- Regulatory Improvements
 - Deep Basin spacing/commingling
 - CBM regulatory relief
 - Commitment for further improvements
- Support for new technologies
- Strengthening the productive partnership between Albertans, the government and the resource industry



Canadian Division Summary

- Horn River, Montney – world class unconventional plays
- Executing with excellence
- Value accretive portfolio management
- Very large, top quartile inventory

Lowest supply cost wins

