

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

Canadian Division | **HORN RIVER & GREATER SIERRA**
Kevin Smith, Vice-President Fort Nelson & Canadian
Unconventional Gas Exploration



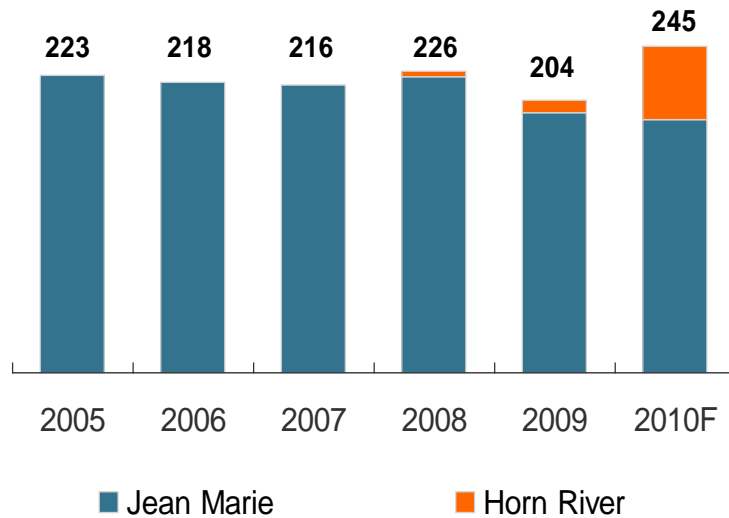
Greater Sierra



Greater Sierra

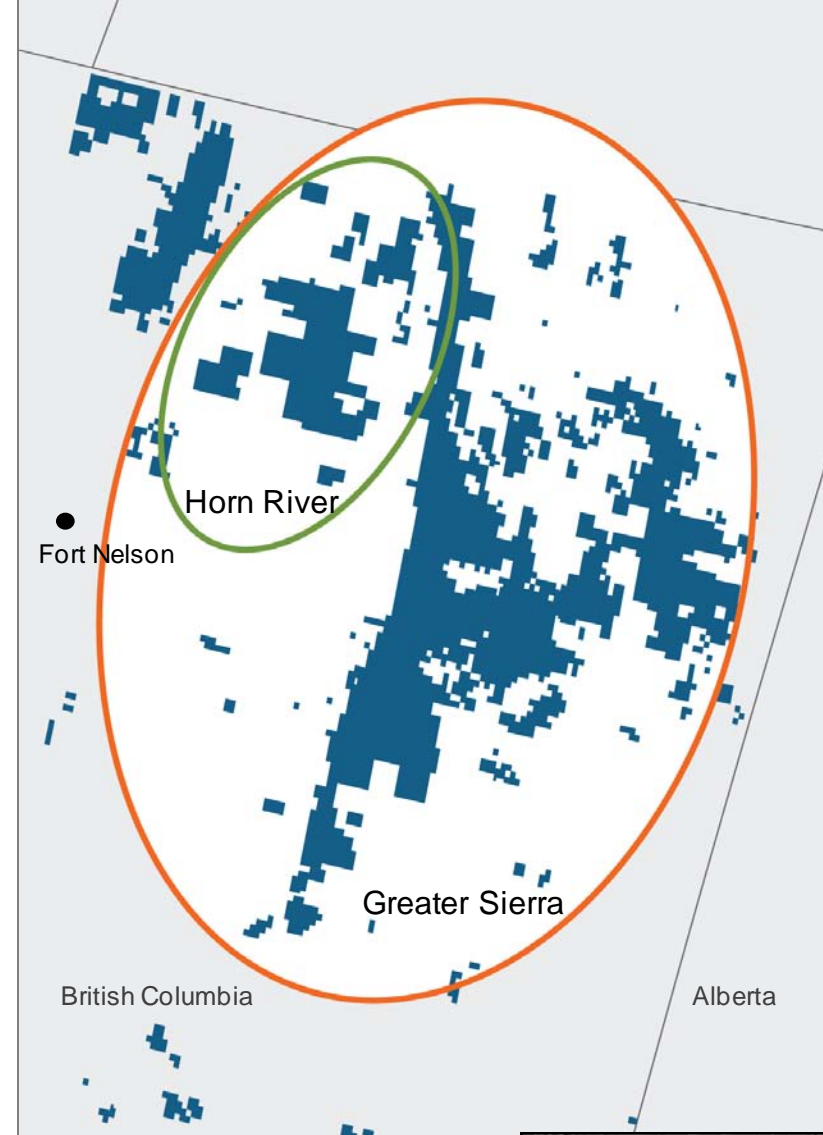
Production

MMcfe/d

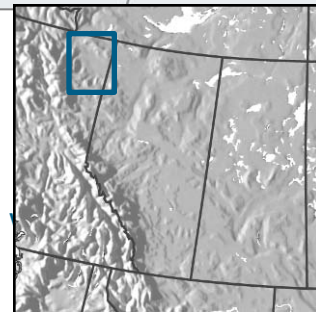


2010 Objectives

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



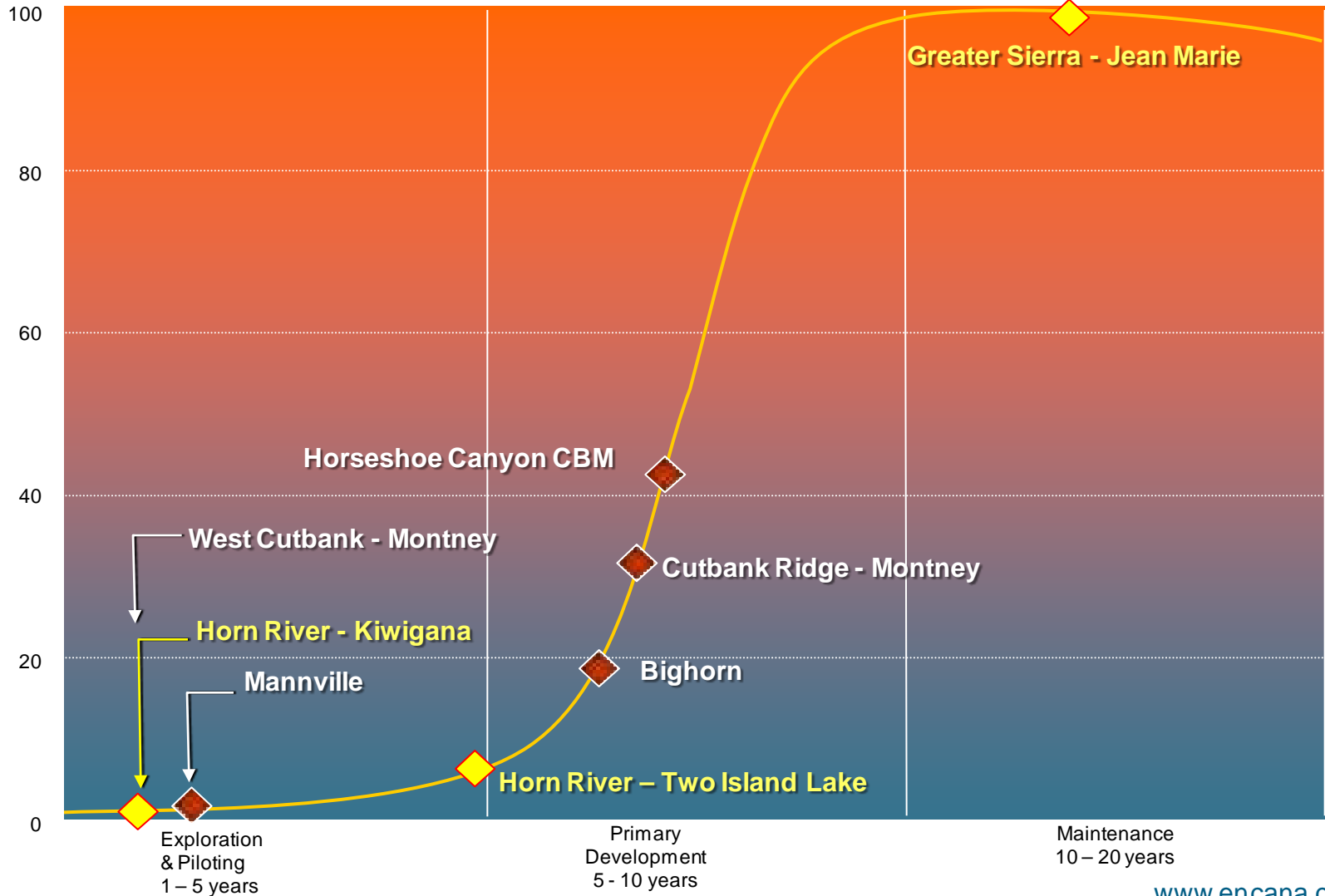
■ Encana Land (Dec. 31, 2009)
Total Greater Sierra Net Acres: 1.8 MM



Greater Sierra

Resource Play Evolution

Peak Rate (%)

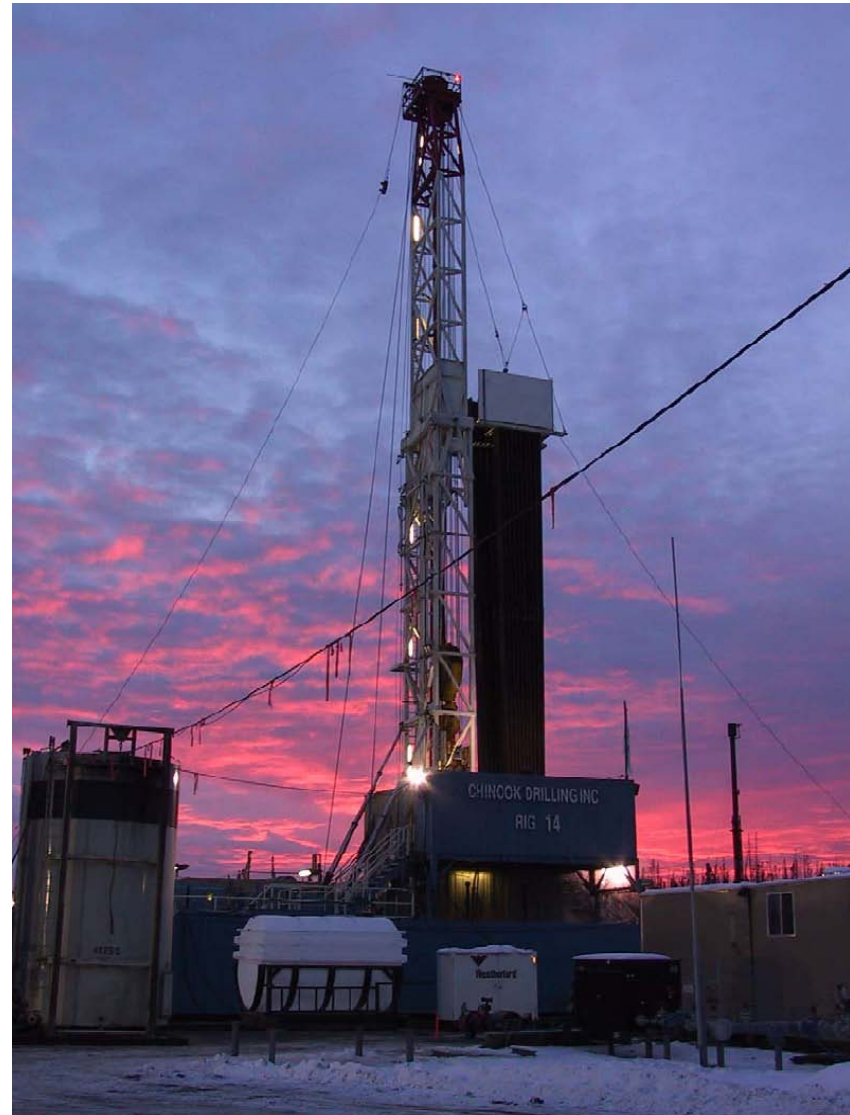
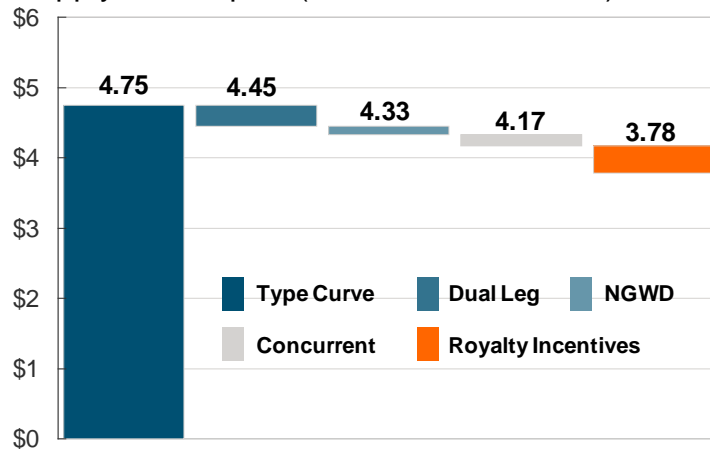


Leading Technical Competencies

Jean Marie

- Fit-for-purpose rigs
- Multi-lateral underbalanced horizontal drilling
- Natural gas while drilling
- Multi-well drilling pads
- Concurrent operations

Supply Cost Impact (\$US/MMBtu NYMEX)



Horn River Basin – Huge Resource Potential

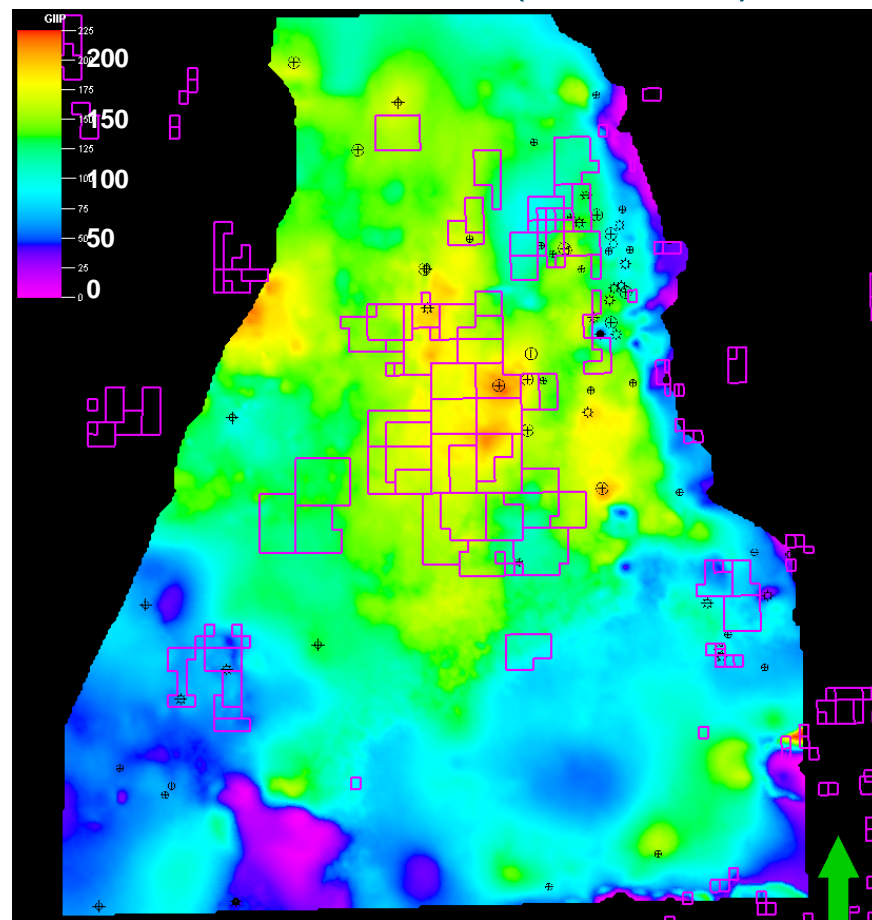
Total net well inventory

- 1P + 1C = 300
- 3P + 3C = 750

NGIP = 150 – 270 Bcfe/sec

| Reserves (Tcfe) | | |
|--------------------------------------|------|------|
| 1P | 2P | 3P |
| 0.17 | 0.29 | 0.34 |
| Economic Contingent Resources (Tcfe) | | |
| 1C | 2C | 3C |
| 1.2 | 3.4 | 6.7 |

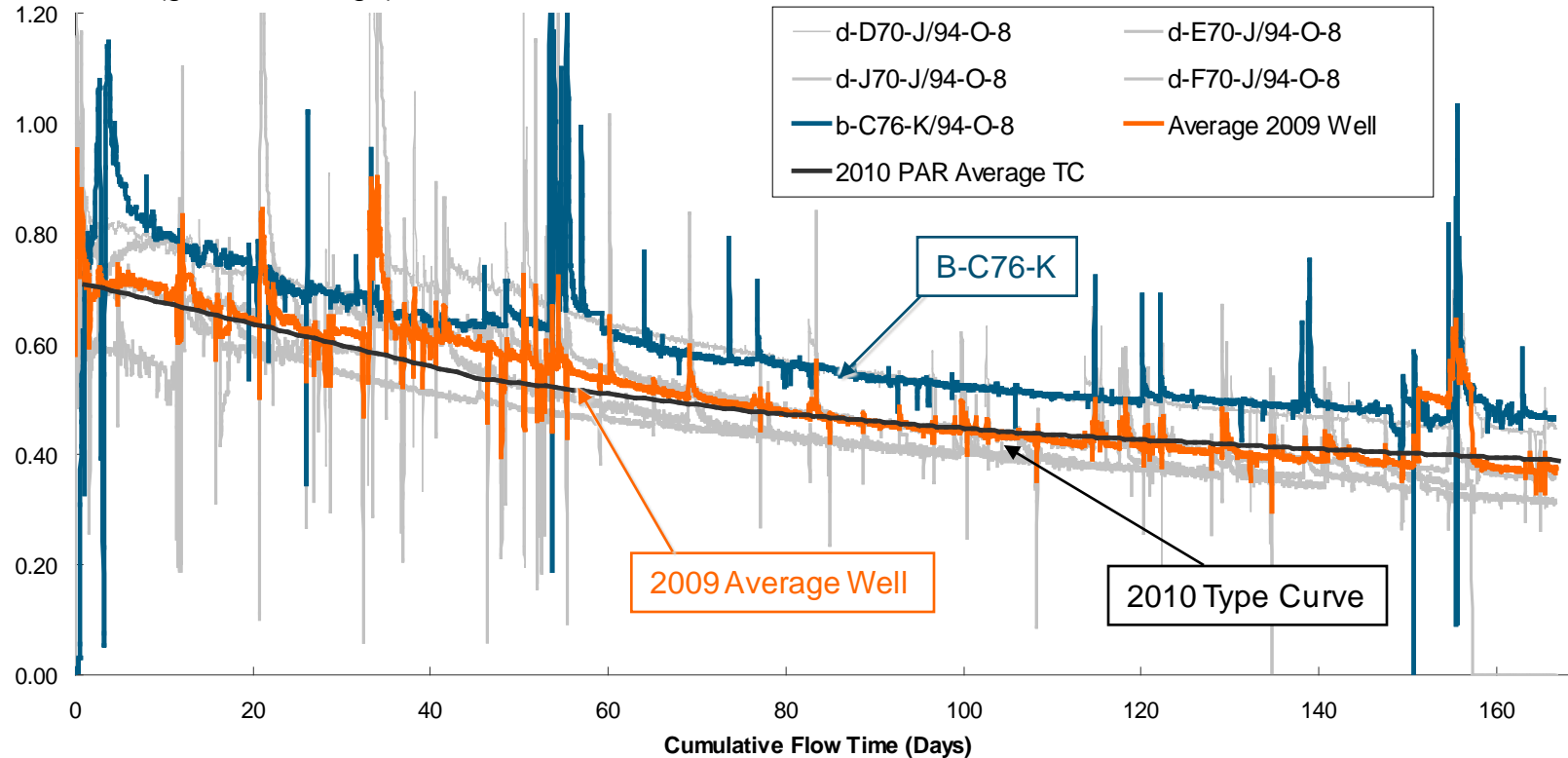
P50 Total NGIP (Bcfe/sec)



Horn River 2010 Type Curve

From Infinite to Development Spacing

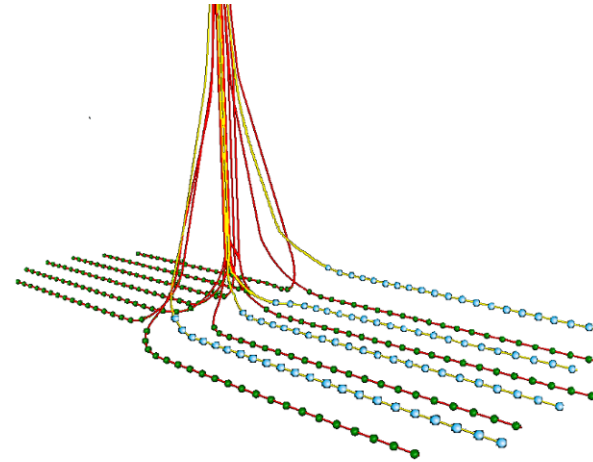
Gas Rate (gross raw/stage)



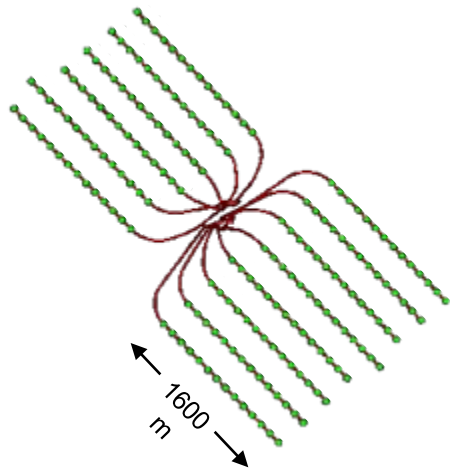
| | # Fracs/Well | EUR Per Frac Gross Raw Bcf/frac | EUR Per Well Gross Raw Bcf/well |
|---------------------------------------|--------------|---------------------------------|---------------------------------|
| B-C76-K (10 stage – infinite spacing) | 10 | 1.05 | 10.5 |
| 2009 Average | 13.5 avg. | 0.81 | 10.8 |
| 2010 TC | 21.4 | 0.75 - 0.89 | 16 - 19 |

Horn River Key Technical Advancements

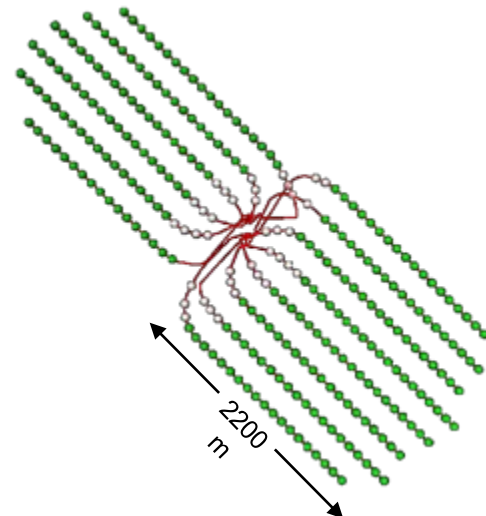
- Vertical Hz placement staggering
- Longer Hz laterals
- Increased frac stages/well
- Subsurface frac water source
 - Debolt:
 - Significant non-potable water source
 - 2010 water treatment plant



14-Stages /Well (2009)

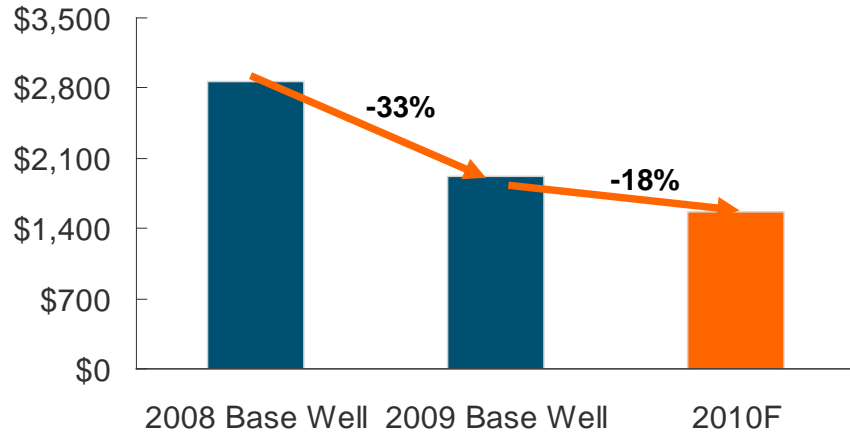


21+Stages /Well (2010)

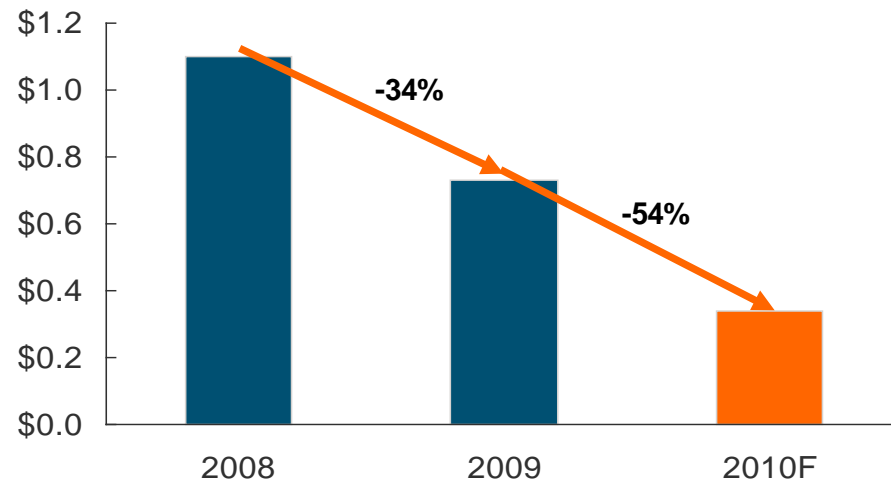


Horn River Cost Performance

Drill Costs per Lateral Meter (\$C)

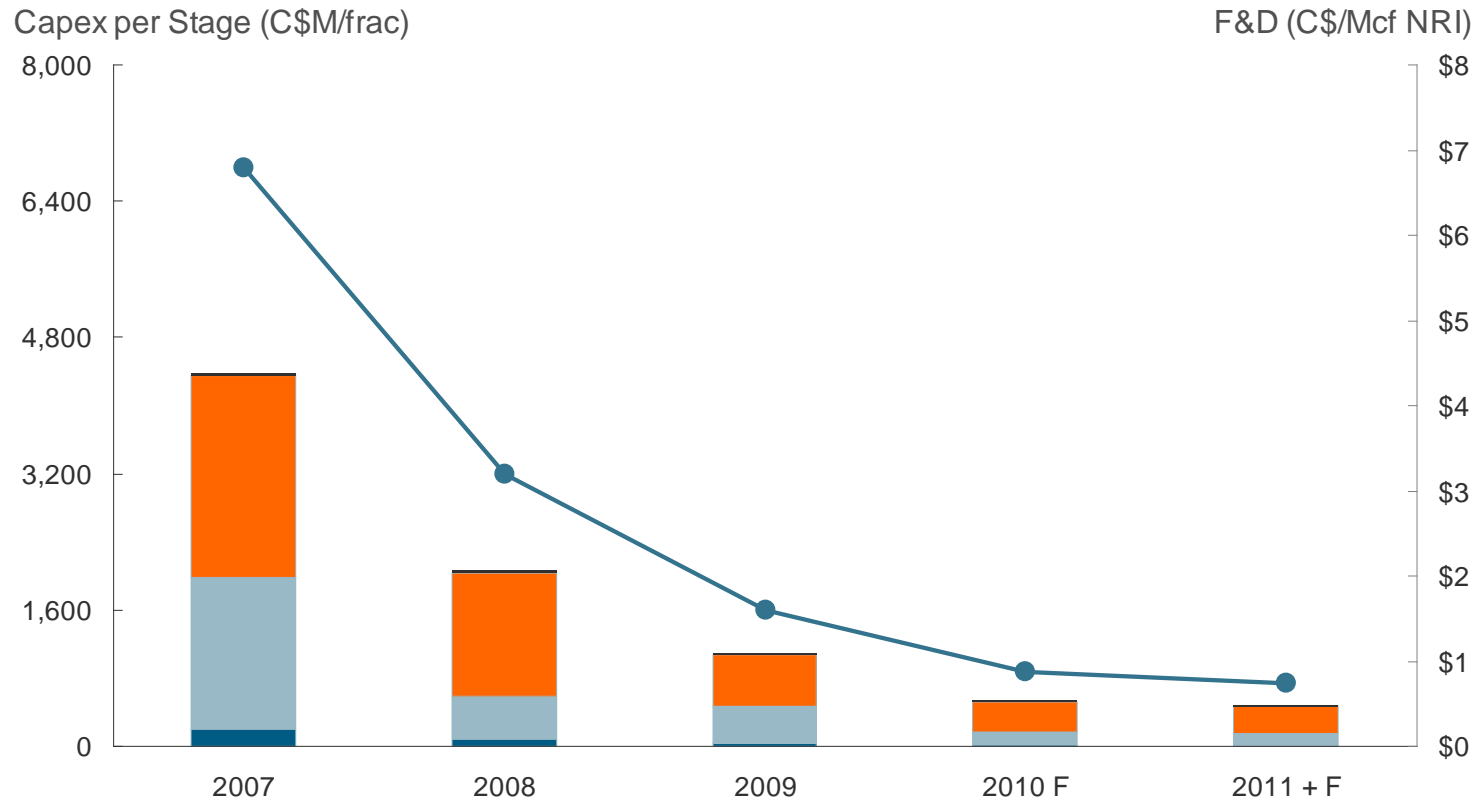


Completions Cost per Frac (\$C MM)



Horn River Pad Evolution

Cost per Interval - Lease Boundary Capital (C\$)

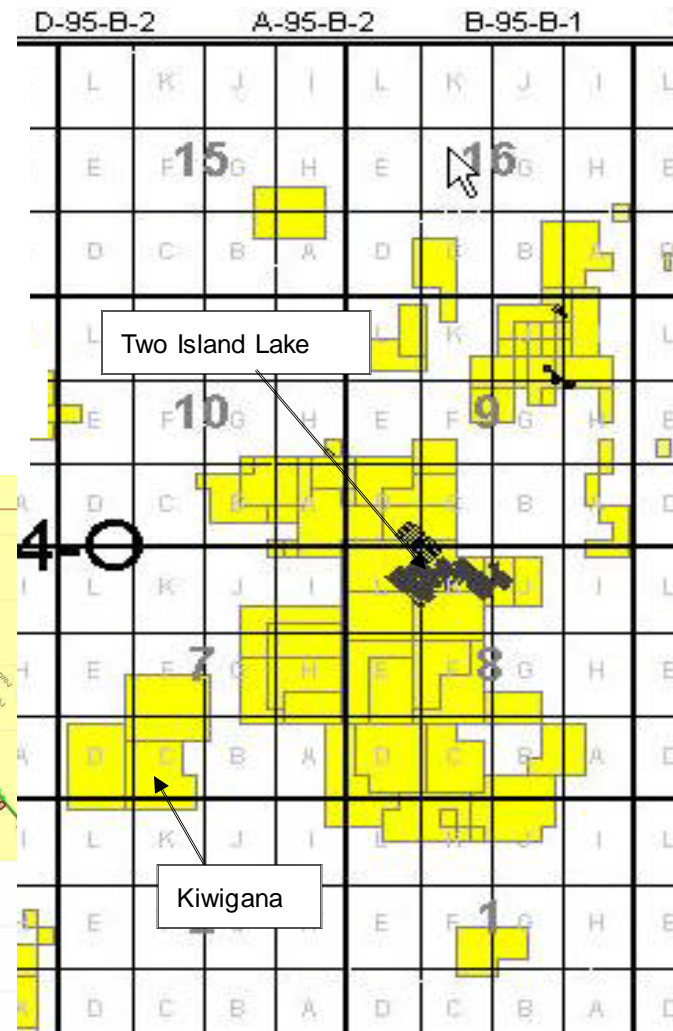
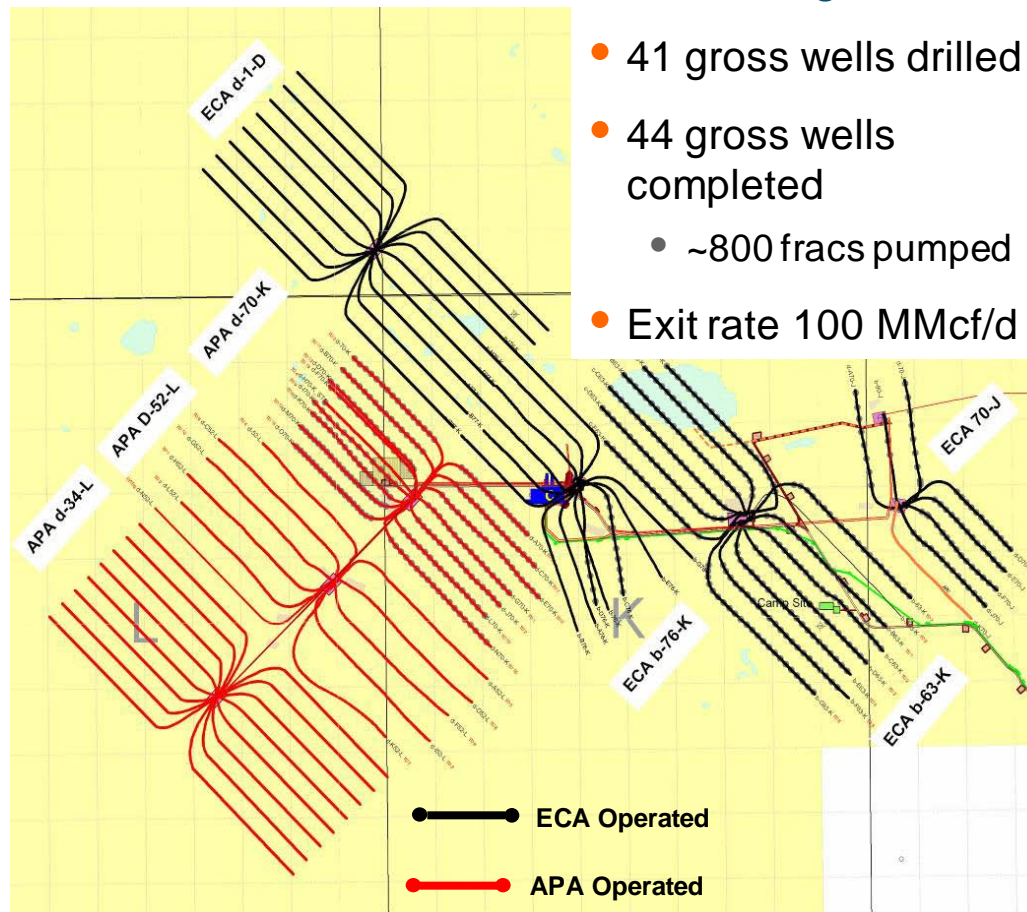


| | 2007 | 2008 | 2009 | 2010F | 2011+F |
|-------------------|------|------|------|---------|---------|
| # Avg. Fracs/Well | 3.0 | 8.7 | 13.5 | 19 - 23 | 19 - 23 |

Horn River Multi-Year, Continuous Activity

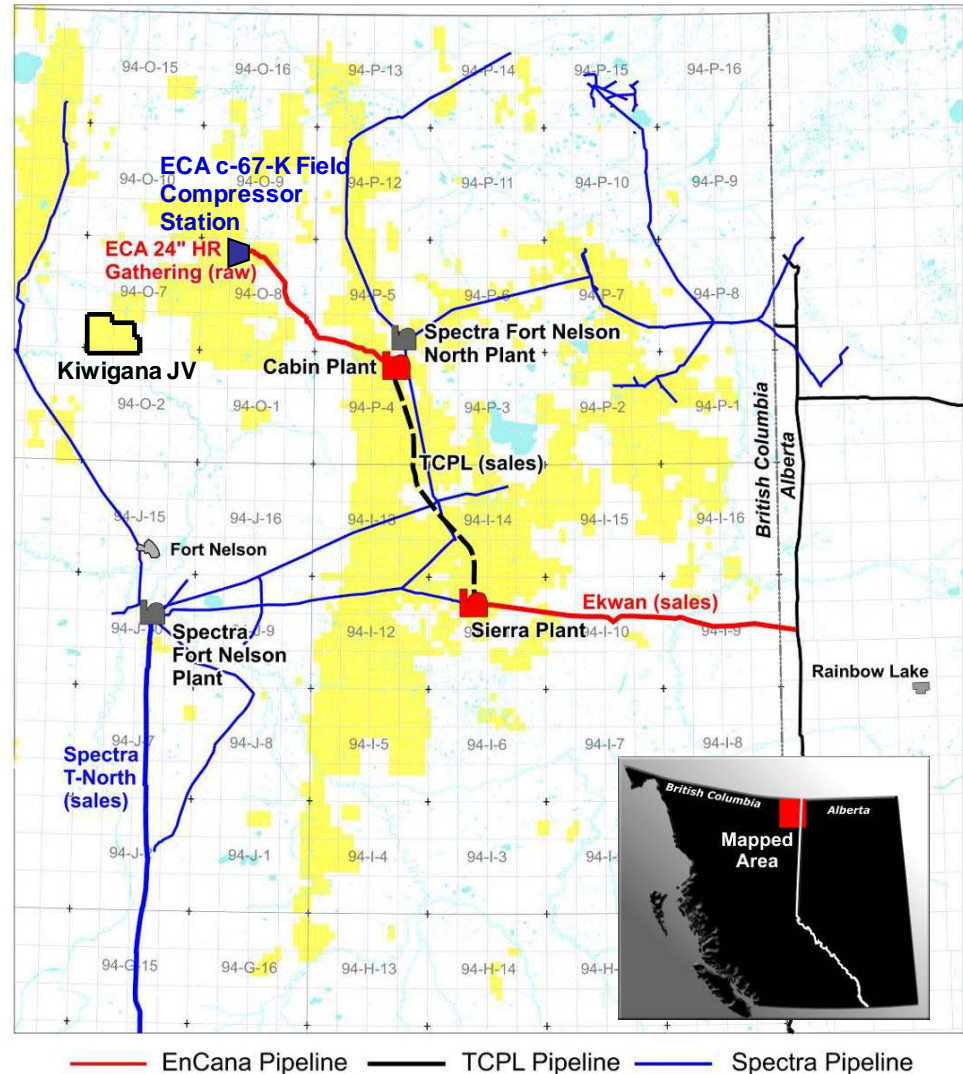
2010F Program

- 41 gross wells drilled
- 44 gross wells completed
 - ~800 fracs pumped
- Exit rate 100 MMcf/d



Horn River Infrastructure

- Major infield facilities on stream 2009
- Cabin Gas Plant
 - Encana operated
 - Permits received
 - 800 MMcf/d capacity in two phases
 - Onstream Q3 2012F
- Spectra Fort Nelson
 - Reactivation to 1 Bcf/d
 - Fort Nelson North on stream Q2 2012F
 - 250 MMcf/d
- TCPL system extension



Greater Sierra

Shifting Gears



Horn River – Growth Engine

- Confidence in the resource
- Captured the core of the play
- Competitive supply costs
 - Manufacturing approach
 - Evolving efficiencies
- JV to maximize value

Jean Marie – Value Maximization

- Strategic investment
- Maintain production