The New Encana:
the clear energy choice

USA Division | HAYNESVILLE SHALE & EAST TEXAS

Danny Dickerson, Team Lead, East Texas & North Texas

encana
natural gas

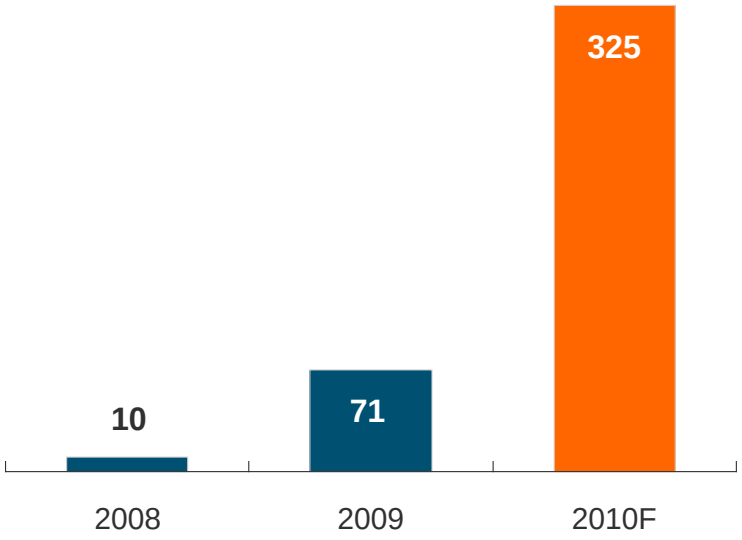
Haynesville Shale, East Texas, Fort Worth

Haynesville Shale

Advancing the 2010 Development Program

Production

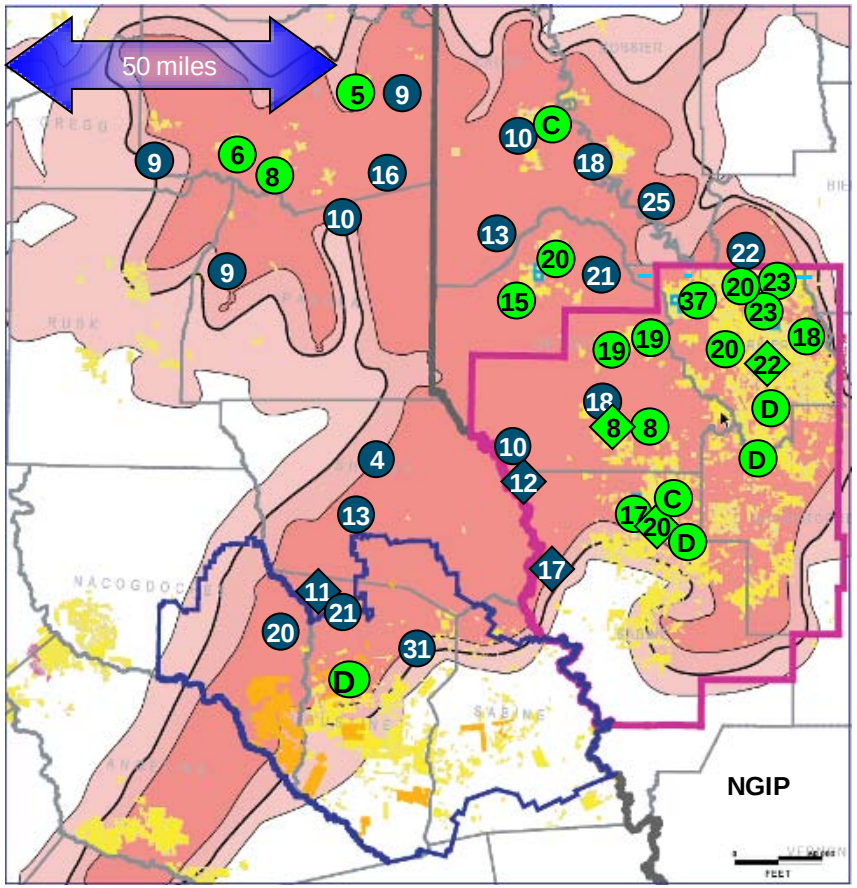
MMcfe/d



2010 Objectives

- Drill bit land retention
- Mid Bossier testing
- Gas Factory pilot
- San Augustine extension

24 hour IPs



4 Industry HSVL
11 Industry MBSR
20 ECA JV HSVL
20 ECA JV MBSR

Encana Acreage: 429,000 net; including 63,000 net mineral interest

AMI area

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Haynesville Land Retention Strategy

- Top performing asset in Encana portfolio
  - Superb shale quality
  - Massive NGIP (175-225 Bcf/Sec)
  - Up to 8 Tcf recoverable*
  - High deliverability
  - Close proximity to infrastructure
- 2010 budget is focused on retaining land
  - 109 net wells (225 gross)
  - Gas Factory pilot
  - 20-25 operated rigs
  - 7-10 non-operated rigs (Shell)
- Will lead Encana's production and reserve growth

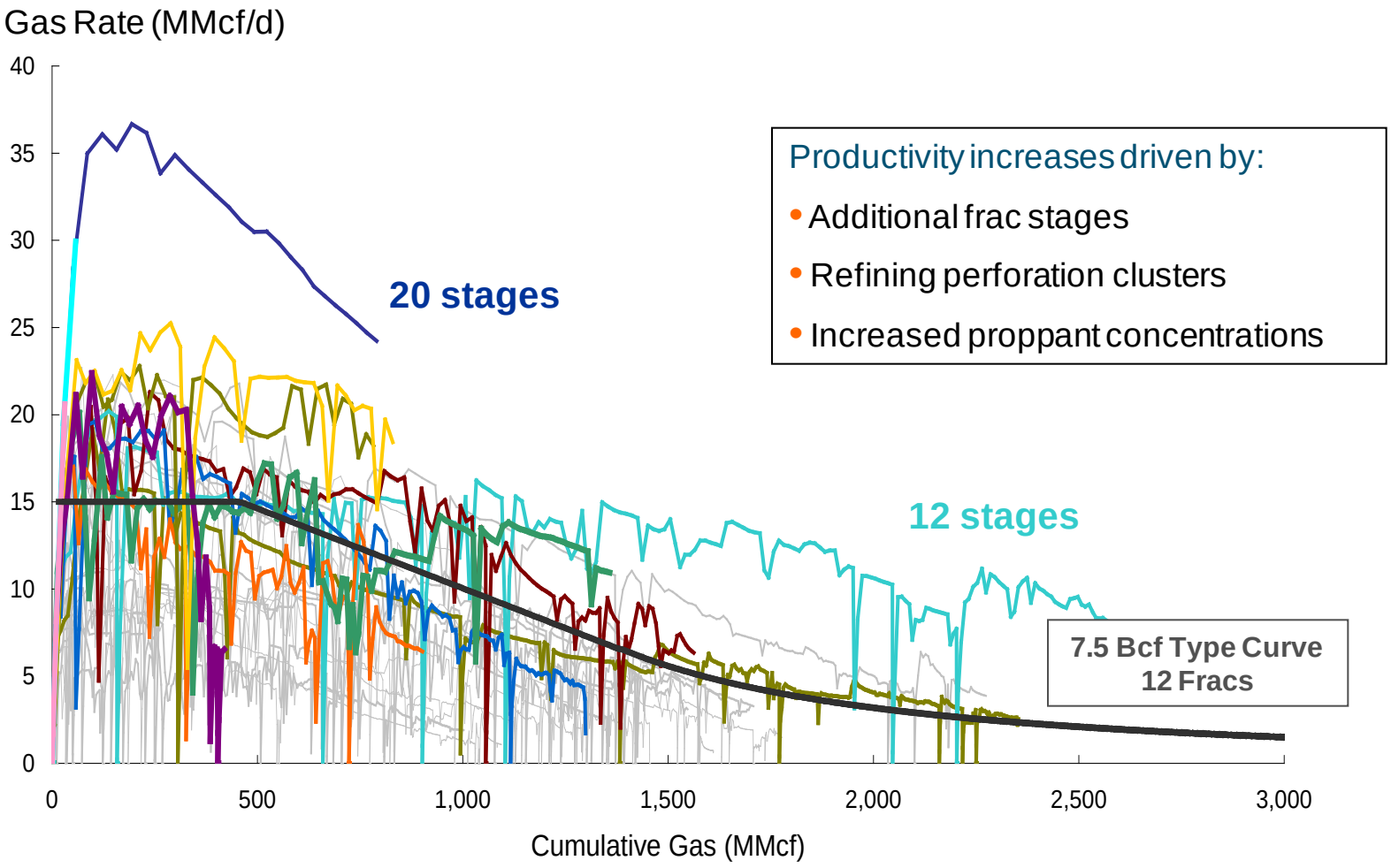
NGIP = Natural Gas in Place

*Based on 2P Proved + Probable Reserves & 2C Economic Contingent Resources

Haynesville Well Performance

Confidence in Productivity

Well rates limited by infrastructure flowing pressures: 7,000 to 10,000 psi



Horizontal Haynesville Completion Design

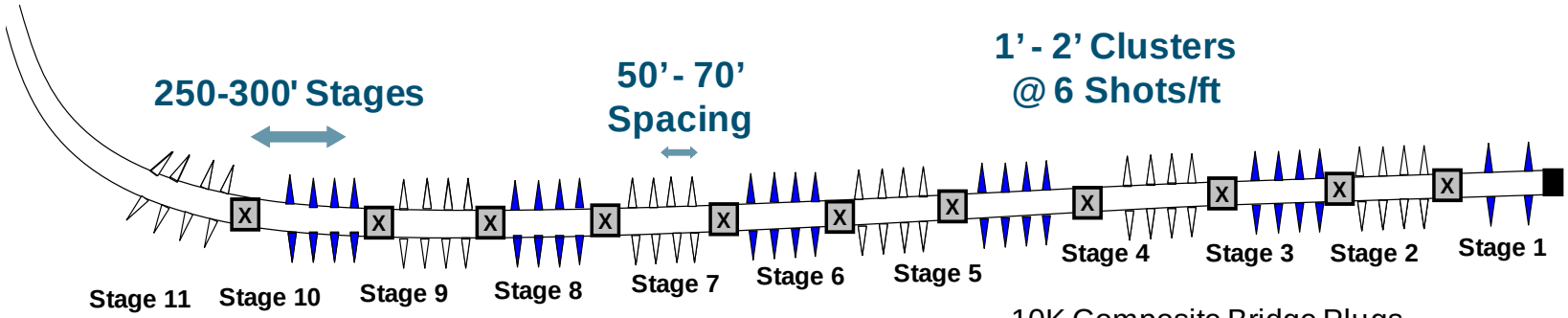
Longer laterals, more frac stages = better wells

Current Frac Design

- 5” production casing
- 10 - 14 stages
- 300-350K lb proppant per stage
- 12,000 bbl of slick water & linear gel per stage
- Pump rate of 70-75 bpm

Forward Testing

- 5 ½” production casing
- 12 -16 stages
- Increased proppant concentrations
- Sand and other proppants
- More perf clusters per stage
- Increased lateral length (>4,200 ft)



10K Composite Bridge Plugs
BHT: 370-400 degrees
BHP: 11,000 psi

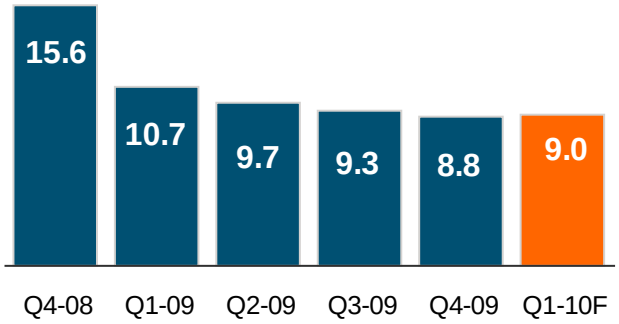
Note: Diagram not to scale

Haynesville – Focus on Cost Reductions

Improving Operational Performance

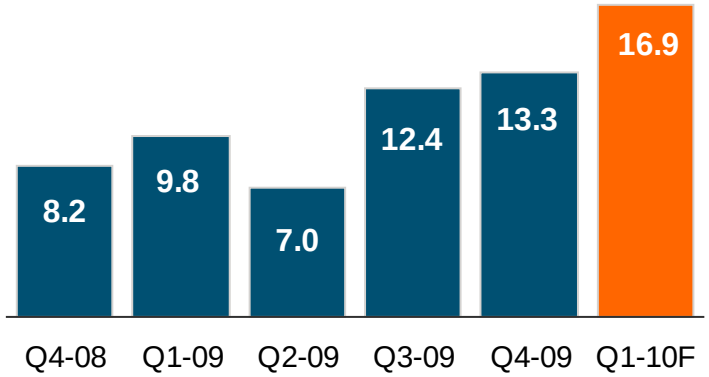
DC&T Costs

$MM



IP (30 Day)

MMcf/d



DC&T Costs reduced 40%

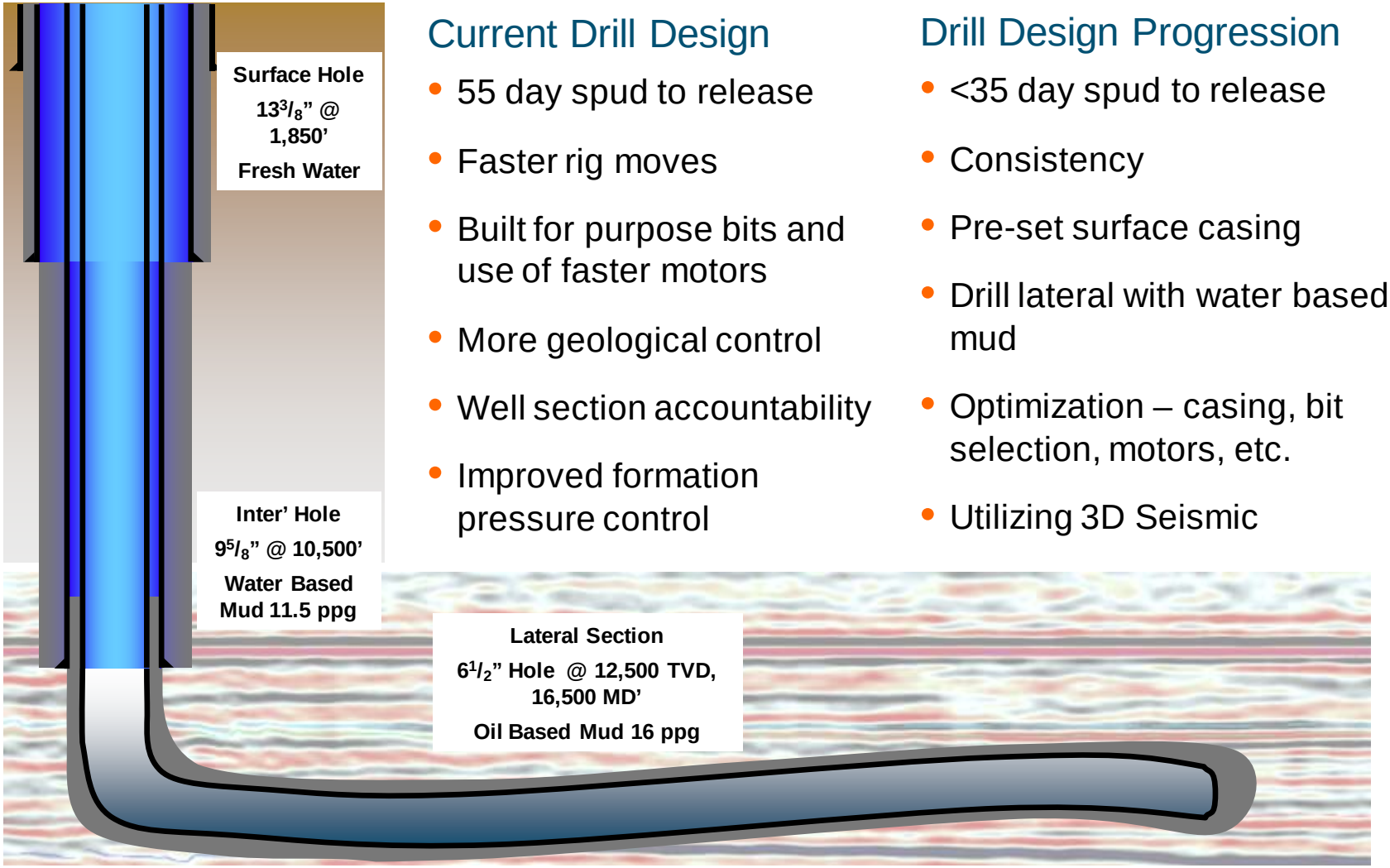
- Best 3 well average $7.4 million
- Drilling longer laterals
- Spud to release decreased by 16 days

IP (30 day) increasing

- Increasing number of frac stages
- Increasing clusters per frac stage
- More proppant & fluid pumped
- Gathering system growth

Haynesville Horizontal Drilling Design

Bit and Motor Optimization



Current Drill Design

- 55 day spud to release
- Faster rig moves
- Built for purpose bits and use of faster motors
- More geological control
- Well section accountability
- Improved formation pressure control

Drill Design Progression

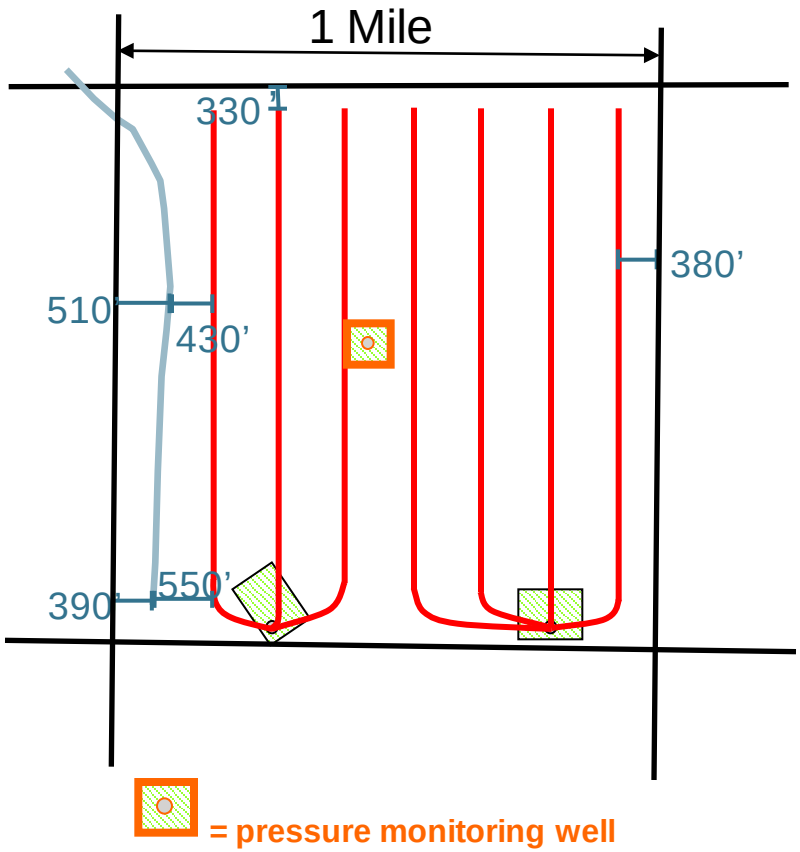
- <35 day spud to release
- Consistency
- Pre-set surface casing
- Drill lateral with water based mud
- Optimization – casing, bit selection, motors, etc.
- Utilizing 3D Seismic

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

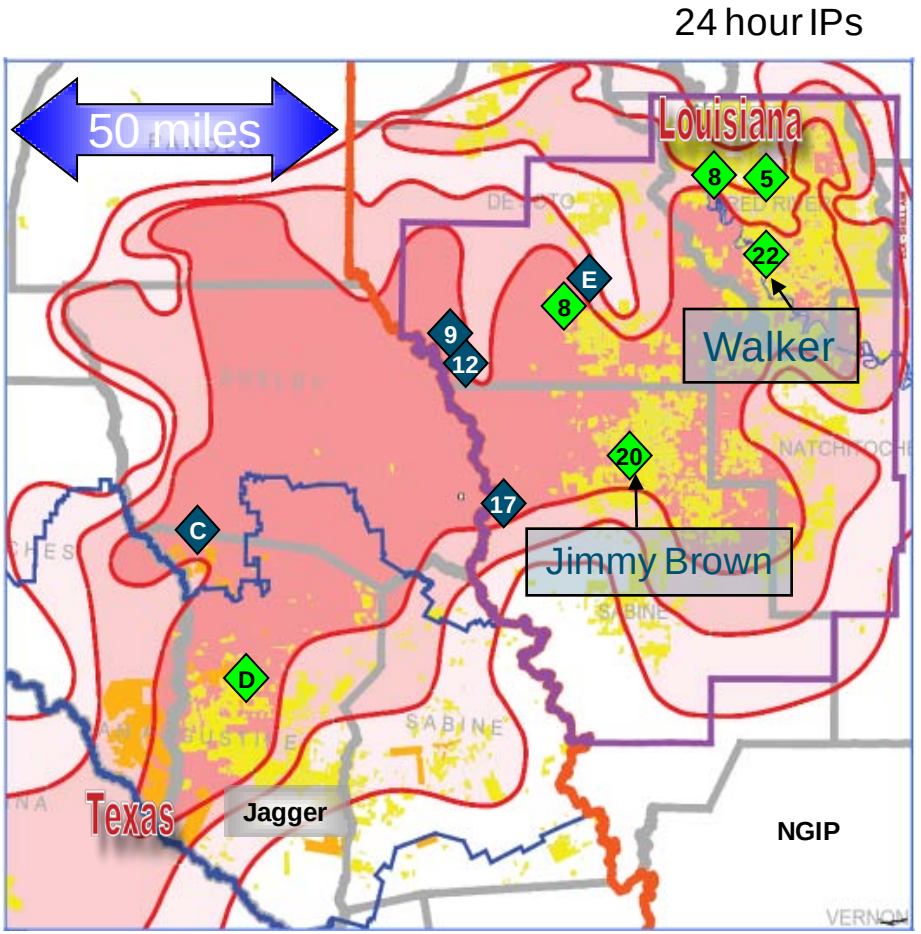


North Louisiana

Mid Bossier

Mid Bossier Shale

- 100 to 200 Bcf/section
- Encouraging results
- High quality shale as good as Haynesville
- 10-15 wells for 2010F
- 150,000 to 200,000 acres
- 6 Tcfe potential*



5 ECA JV Operated MBSR Well

9 Industry Operated MBSR Well

C ECA JV Operated - Completing

D ECA JV Operated - Drilling

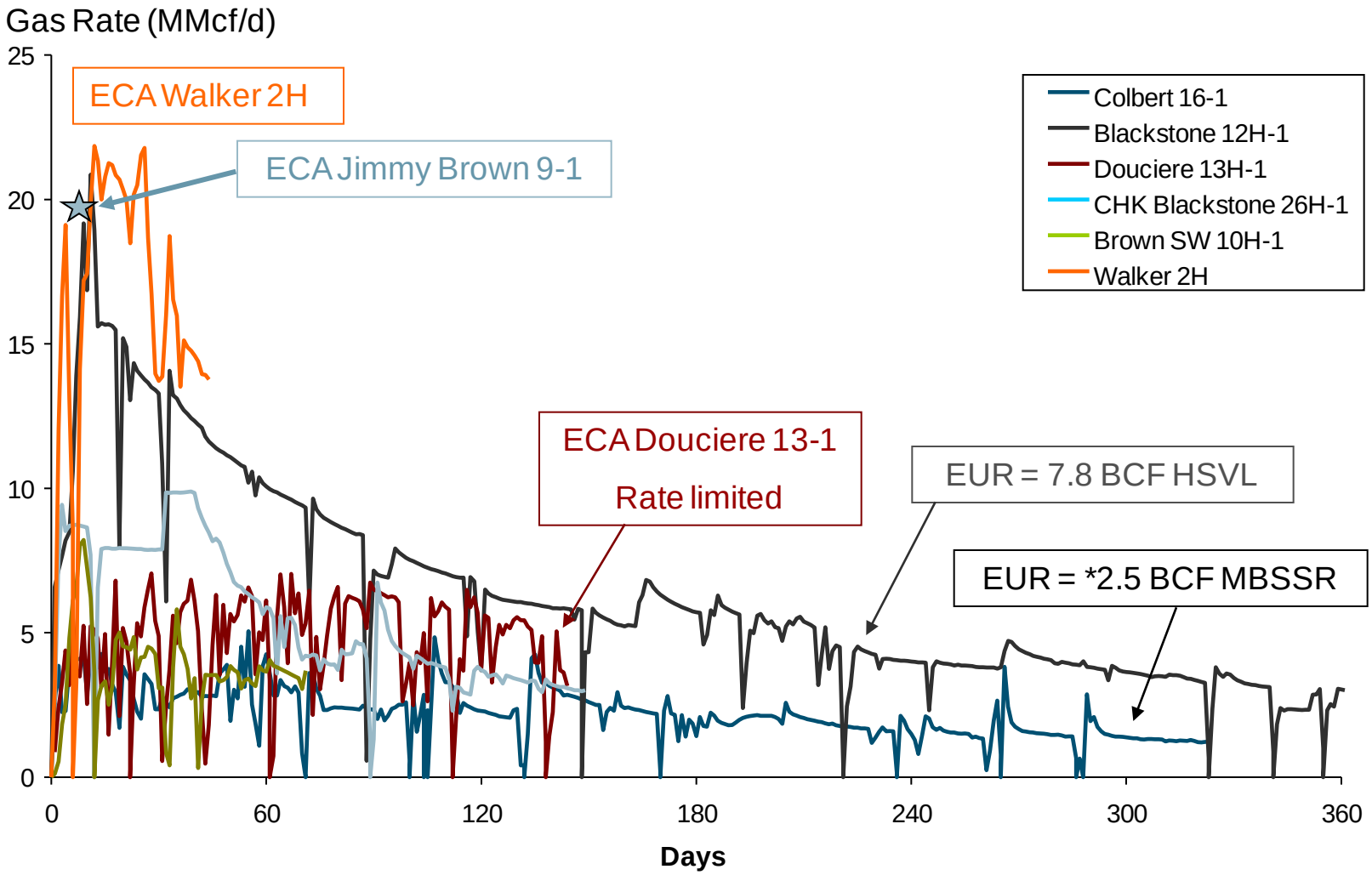
Current ECA Acreage

NGIP = Natural Gas in Place

*Based on 2P Proved + Probable Reserves & 2C Economic Contingent Resources

North Louisiana

Mid Bossier - Haynesville Comparison



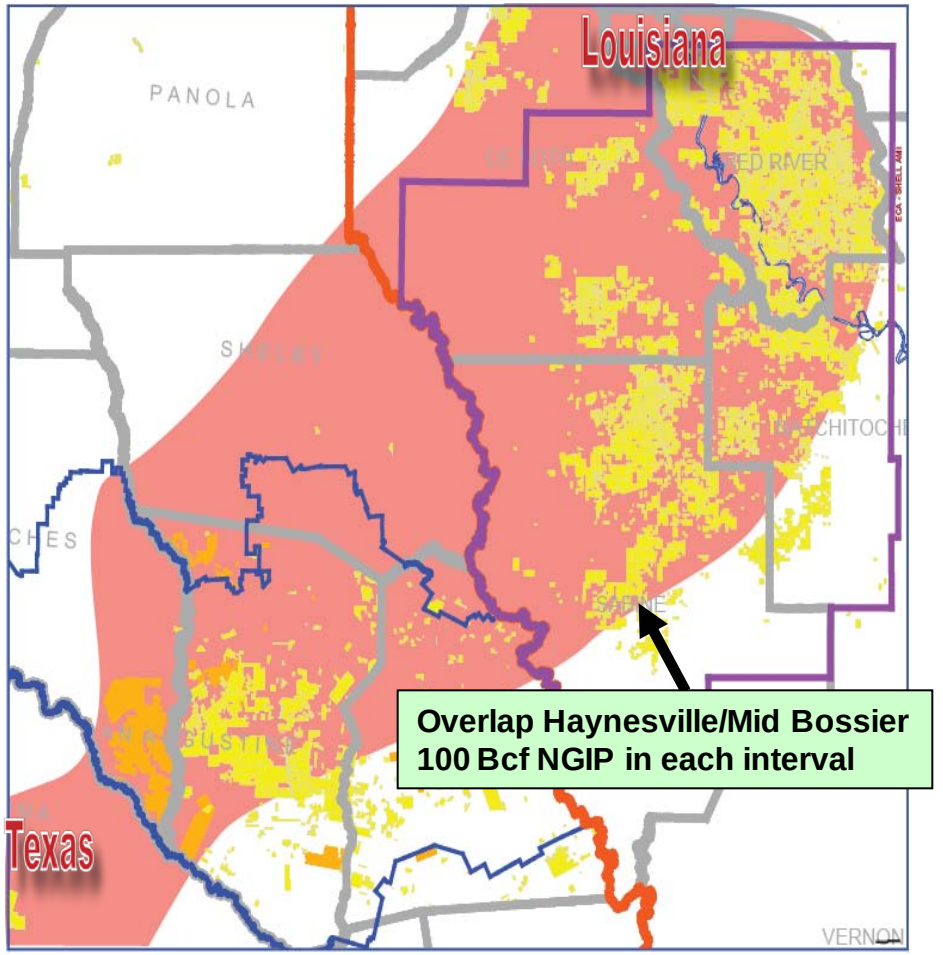
*3 stages producing

Haynesville and Mid Bossier NGIP

Overlap of 100 Bcf/section in each zone

Imagine…

- Stacked pay
- 14 Tcfe total resource*
- Potential longer laterals
- Double well count
- Double production volumes
- Existing infrastructure



NGIP = Natural Gas in Place

*Based on 2P Proved + Probable Reserves & 2C Economic Contingent Resources

Encana Haynesville

Total Resource

Total net well inventory

- 1P + 1C = 1,600

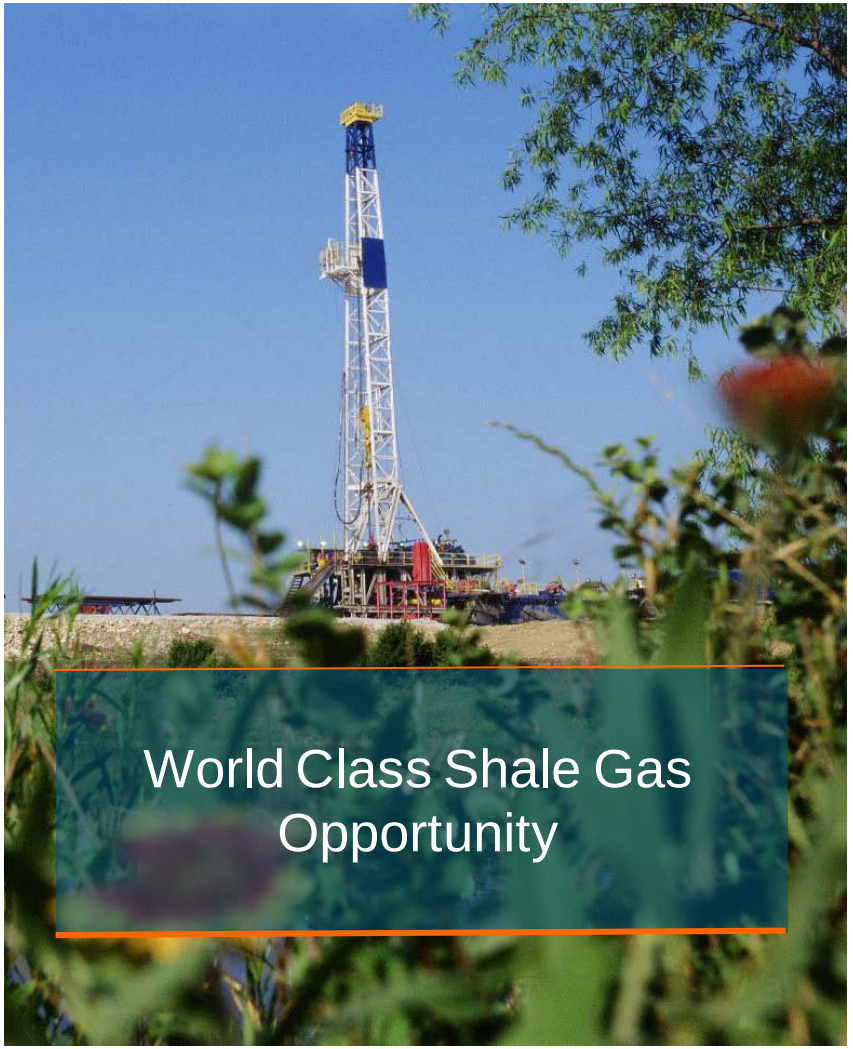
Average F&D cost:

- $1.70/Mcfe

Average supply cost

- $3.75/MMBtu

Reserves (Tcfe)		
1P	2P	3P
0.7	2.0	2.9
Economic Contingent Resources (Tcfe)		
1C	2C	3C
5.3	13.5	21.3



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

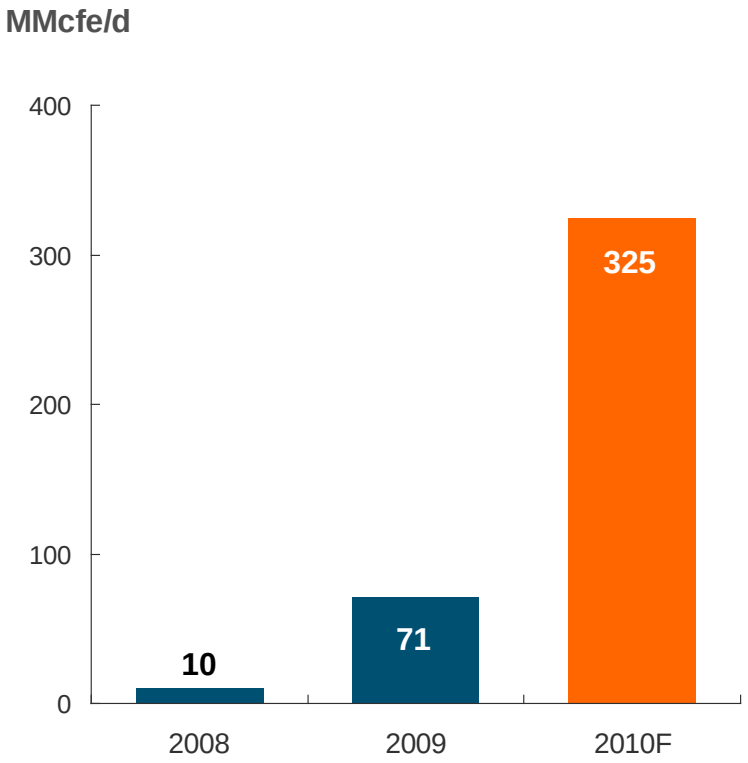
Responsible Development

Haynesville & Mid Bossier Shales

- Environmental Management System
- Use of surface water for operations
- Potential water recycling project
- Natural gas powered rigs
- CNG fleet trucks & filling station
- Multi-well drilling pad development (Gas Factory)
- Local workforce training
- Energy Summer Camps

Haynesville Shale Production Growth

Production



Activity

2010F

- 110 net wells
- Land retention drilling
- Gas Factory pilot
- Play extension drilling

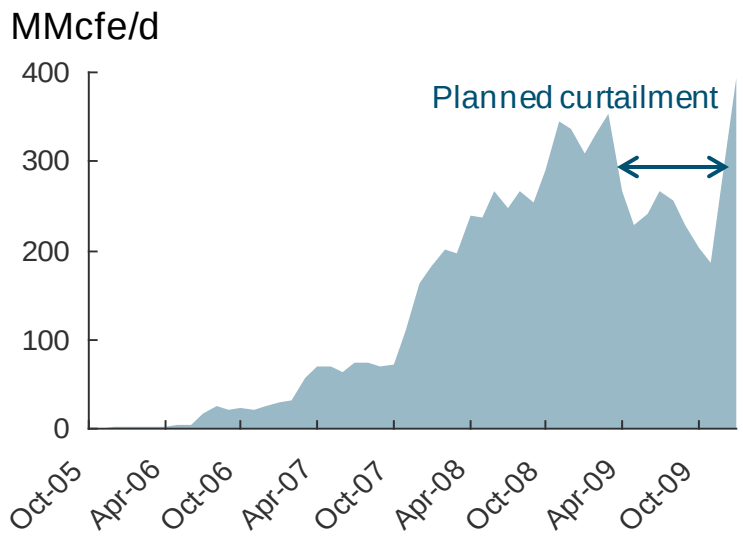
East Texas Growth Opportunities

Amoruso Development Expanding

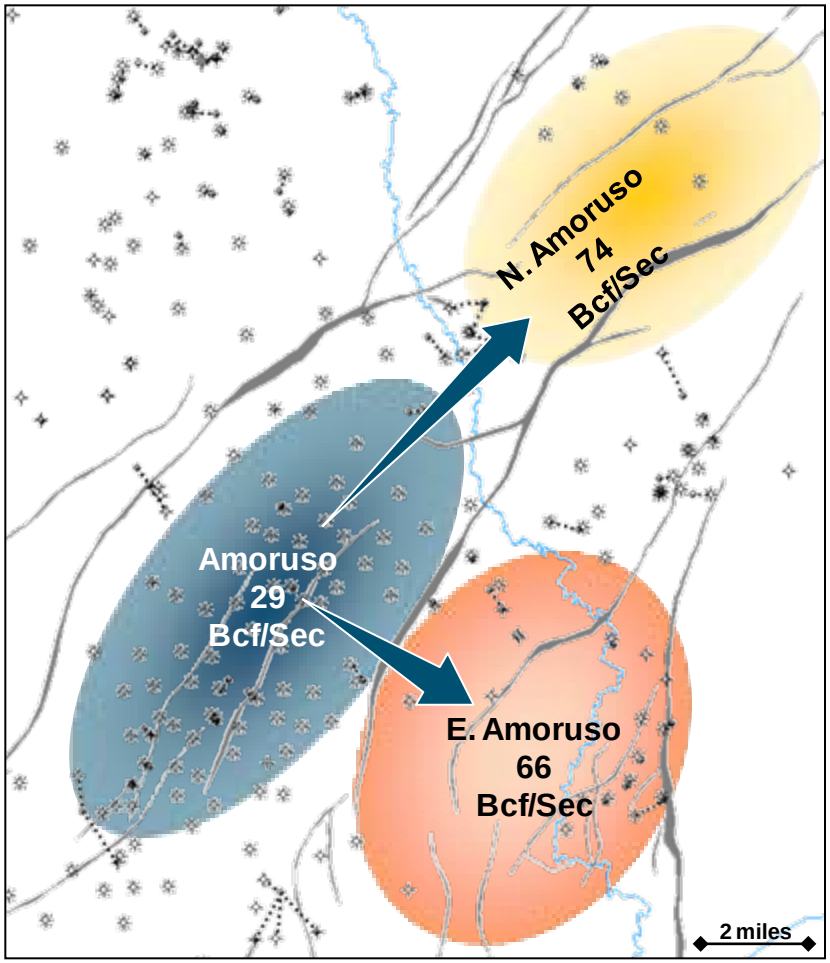
Growth

- 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

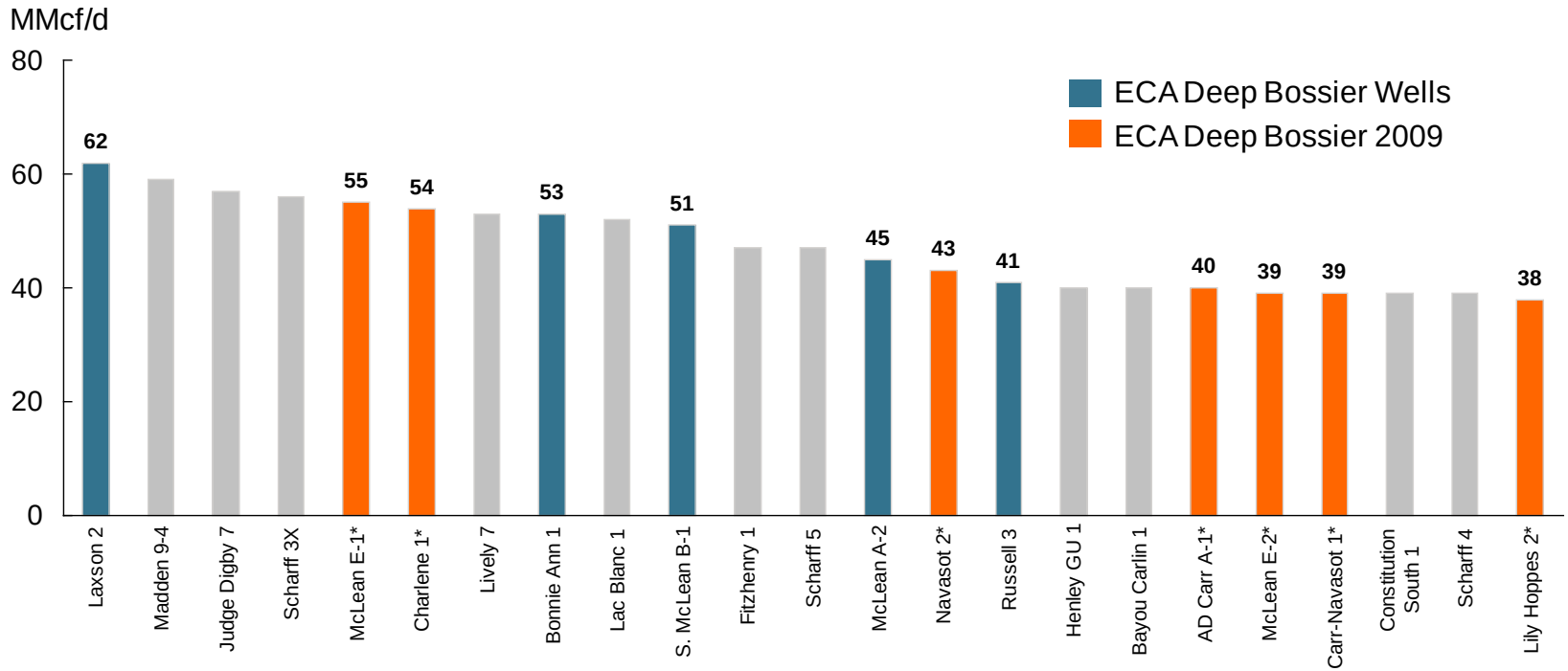


East Texas – Deep Bossier

Strong Well Results

- Strongest well results in onshore North America
- Deep Bossier generates some of the strongest returns in Encana's portfolio
- Encana is the leader in identifying and developing these plays
- We're growing what we have and are on the hunt for more!

Highest North American Average 3 Month Gross Gas Production ('05 – '09)



* Indicates modeled production due to 2009 curtailment

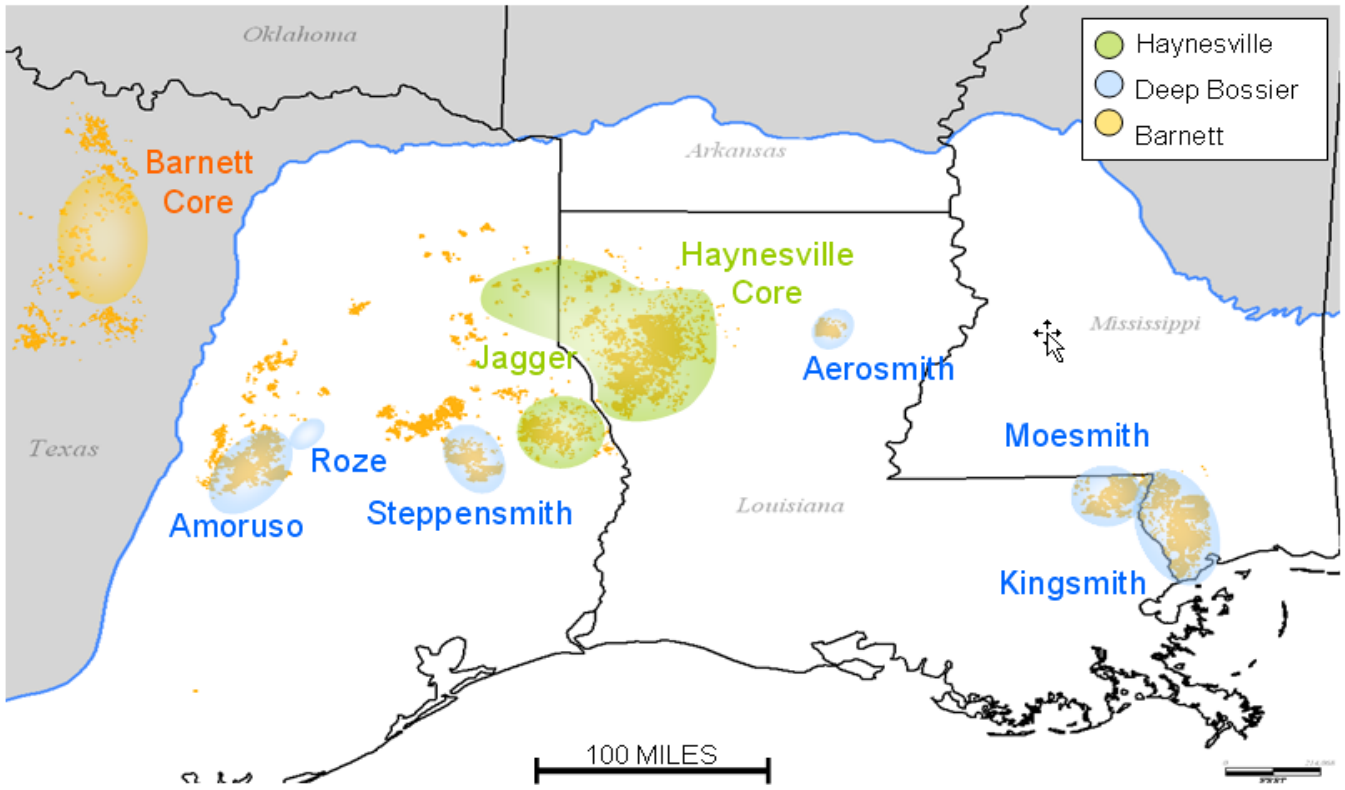
Source: HPDI

Aggressively Pursuing Growth

Gulf Coast Jurassic Trend

Significant Growth Opportunities

- Targeting follow-up to Amoruso step-out success
- Expect to drill 2-4 wells in 2010



Summary

- Haynesville exceeding predictions
- 2010F land retention strategy
- Mid Bossier results encouraging
- Gas Factory pilot for 2010F
- East Texas assets performing very well
- Growth opportunities abound!
- Total net well inventory:
  - 1P + 1C = 1,600

Haynesville Simultaneous Operations