



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

The New Encana Investor Day 2010

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President & Chief Executive Officer

Calgary | March 16, 2010

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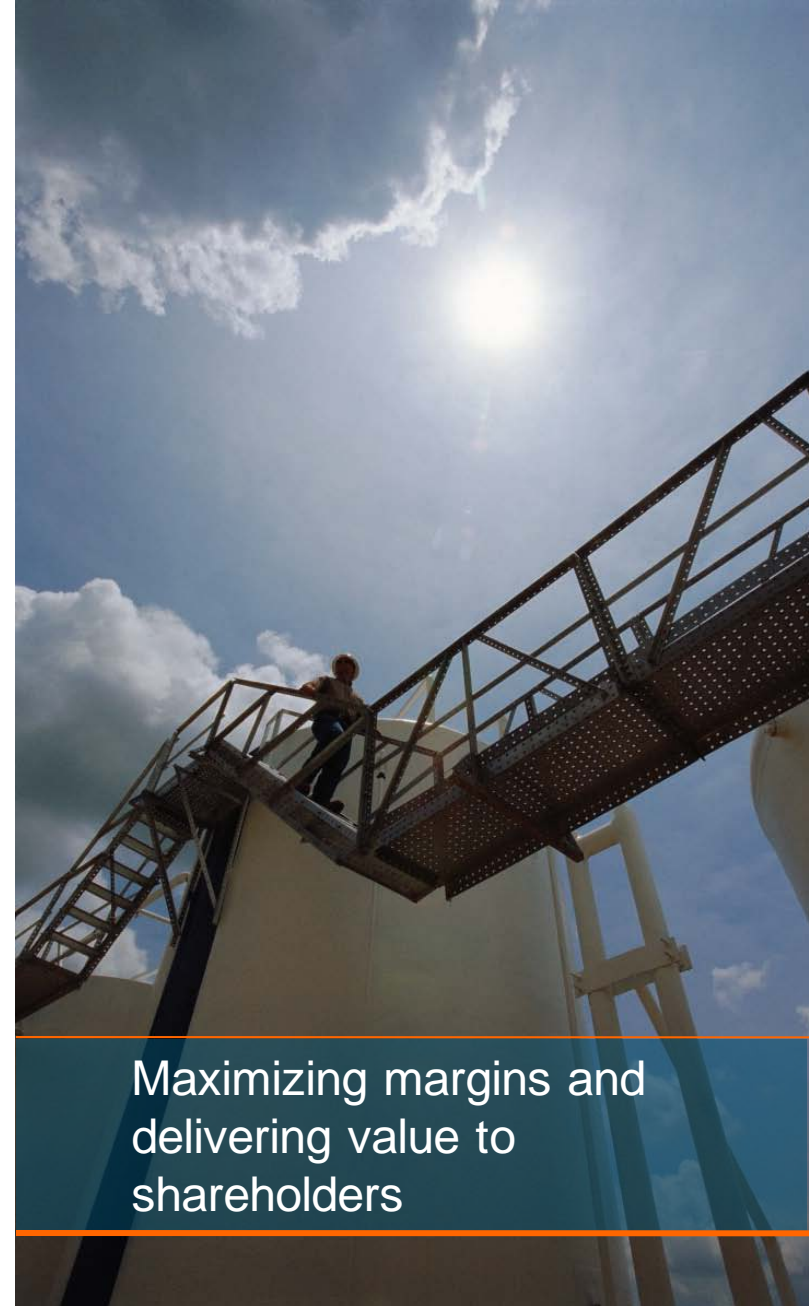


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Overview

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
 - Capable of double-digit growth
 - Support doubling size of company over next 5 years on a per share basis
- Disciplined approach to capital spending and financial stewardship



Maximizing margins and delivering value to shareholders

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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



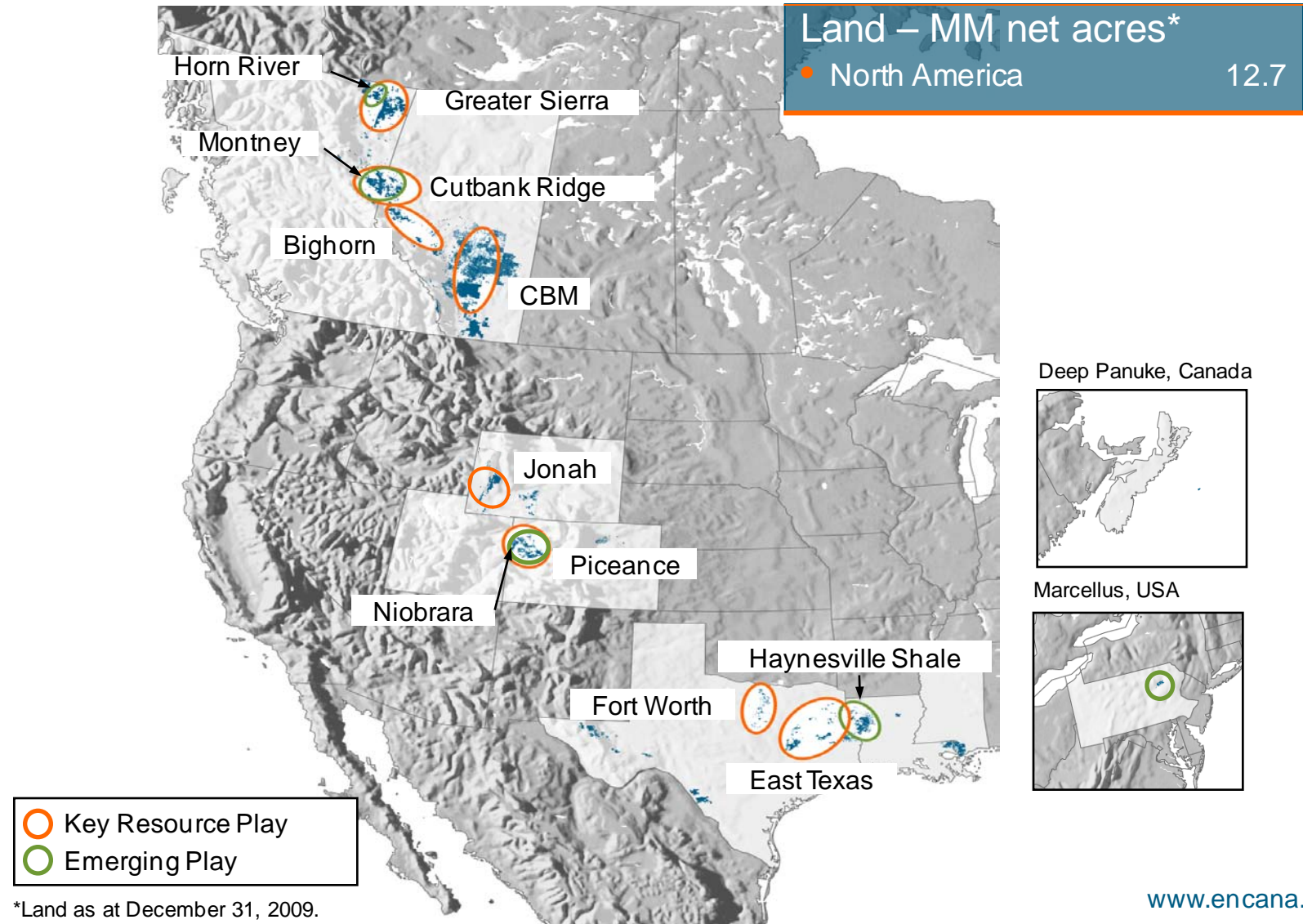
The game has changed!

At Encana, we are positioned to win



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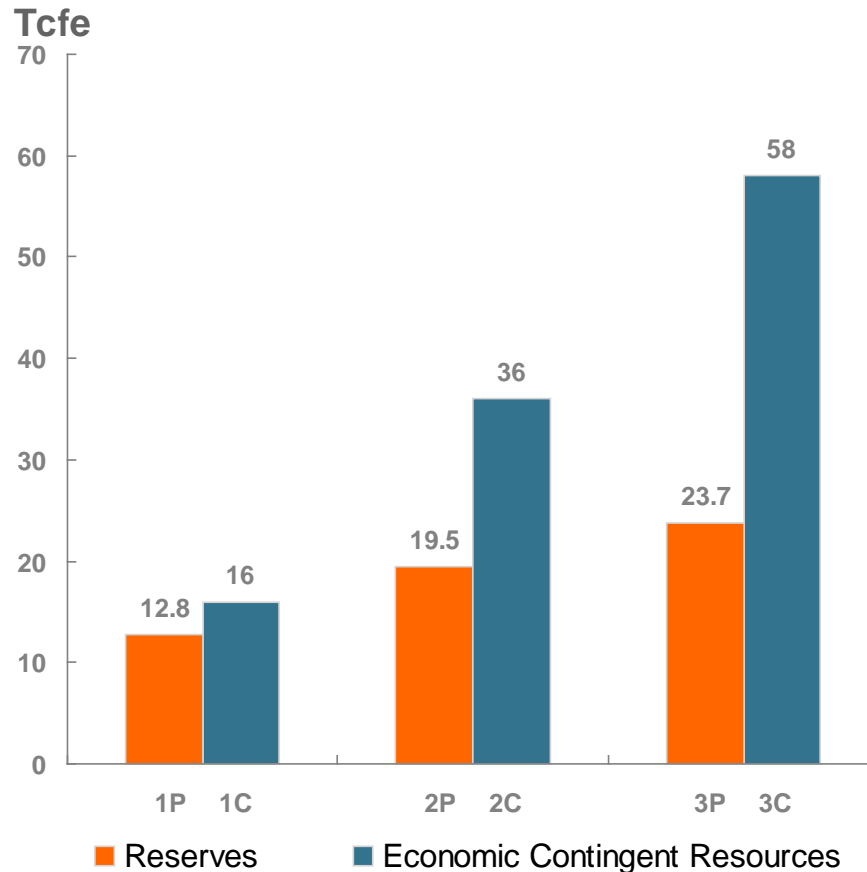
Leading North American Natural Gas Resource Plays



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Tremendous Resource Potential

Reserves and Economic Contingent Resources*



- Source of organic growth
- 23,000 net drilling locations
 - Based on 1P & 1C only
- 1C = 120% 1P
 - 90% probability that the quantities actually recovered will equal or exceed the estimate

Reserves: 1P is proved, 2P is proved plus probable, 3P is proved plus probable and possible

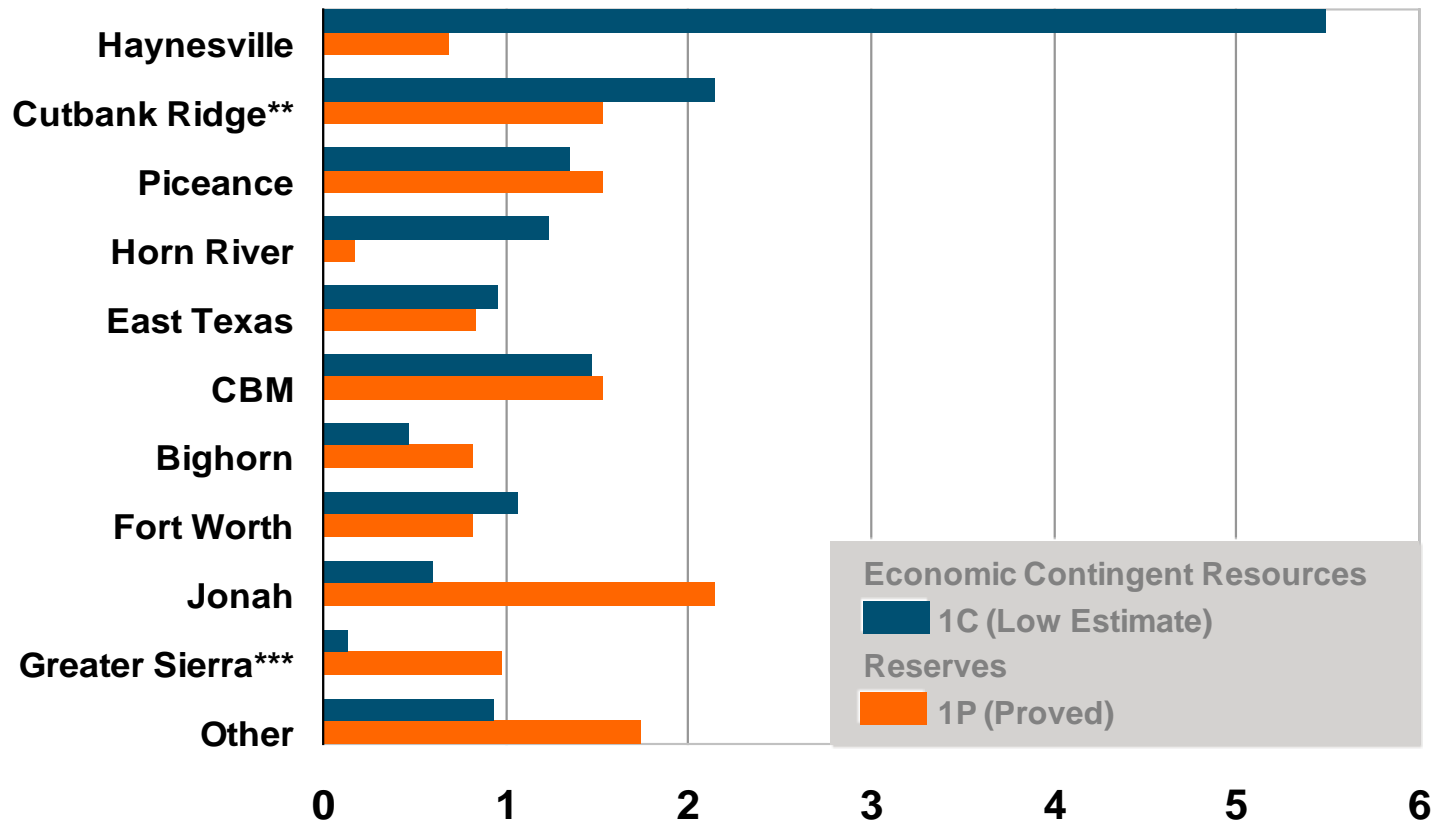
Economic contingent resources: 1C is low estimate, 2C is best estimate, 3C is high estimate

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

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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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1P proved reserves & 1C economic contingent resources



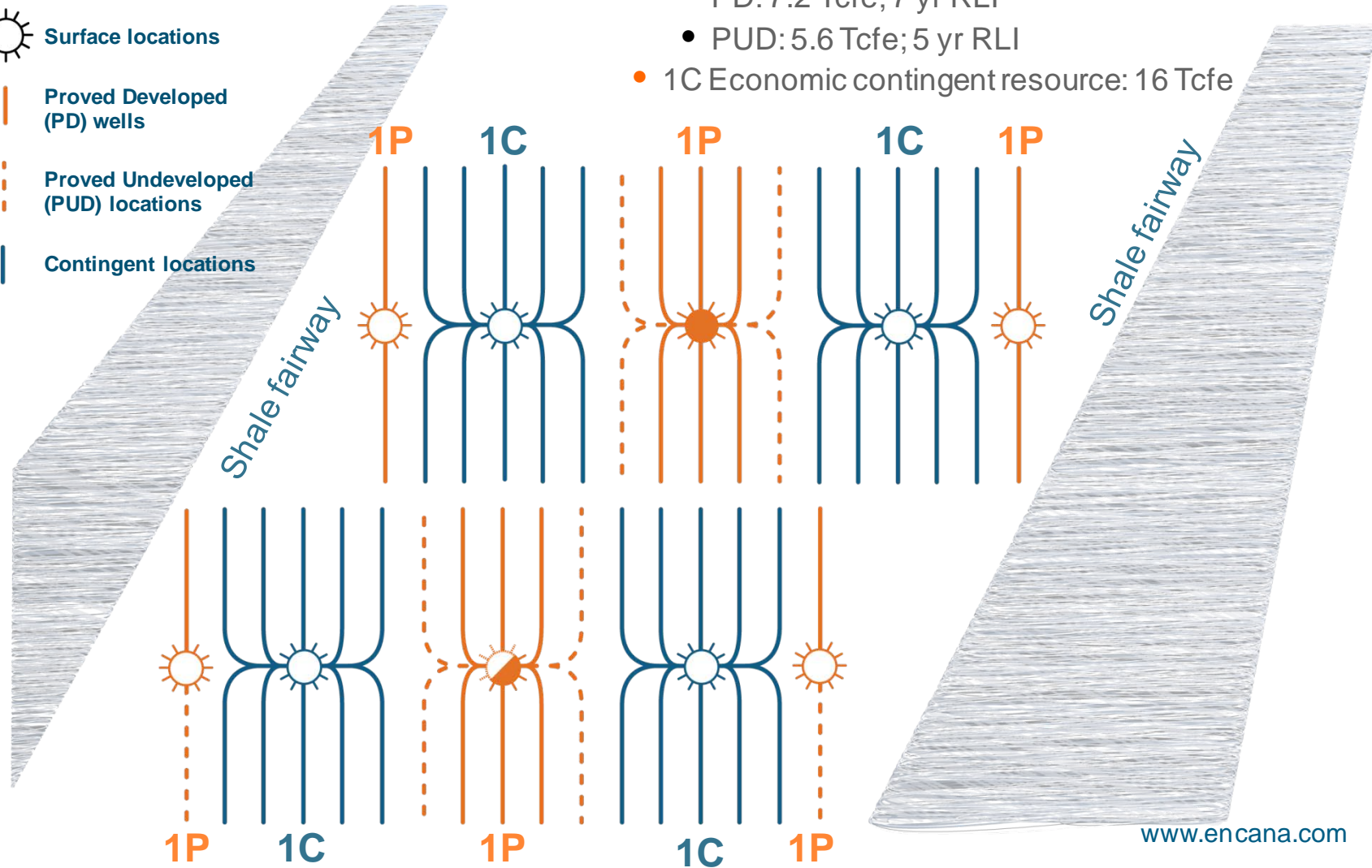
Surface locations

Proved Developed (PD) wells

Proved Undeveloped (PUD) locations

Contingent locations

- Proved reserves (1P): 12.8Tcfe; 12 yr RLI
 - PD: 7.2 Tcfe; 7 yr RLI
 - PUD: 5.6 Tcfe; 5 yr RLI
- 1C Economic contingent resource: 16 Tcfe

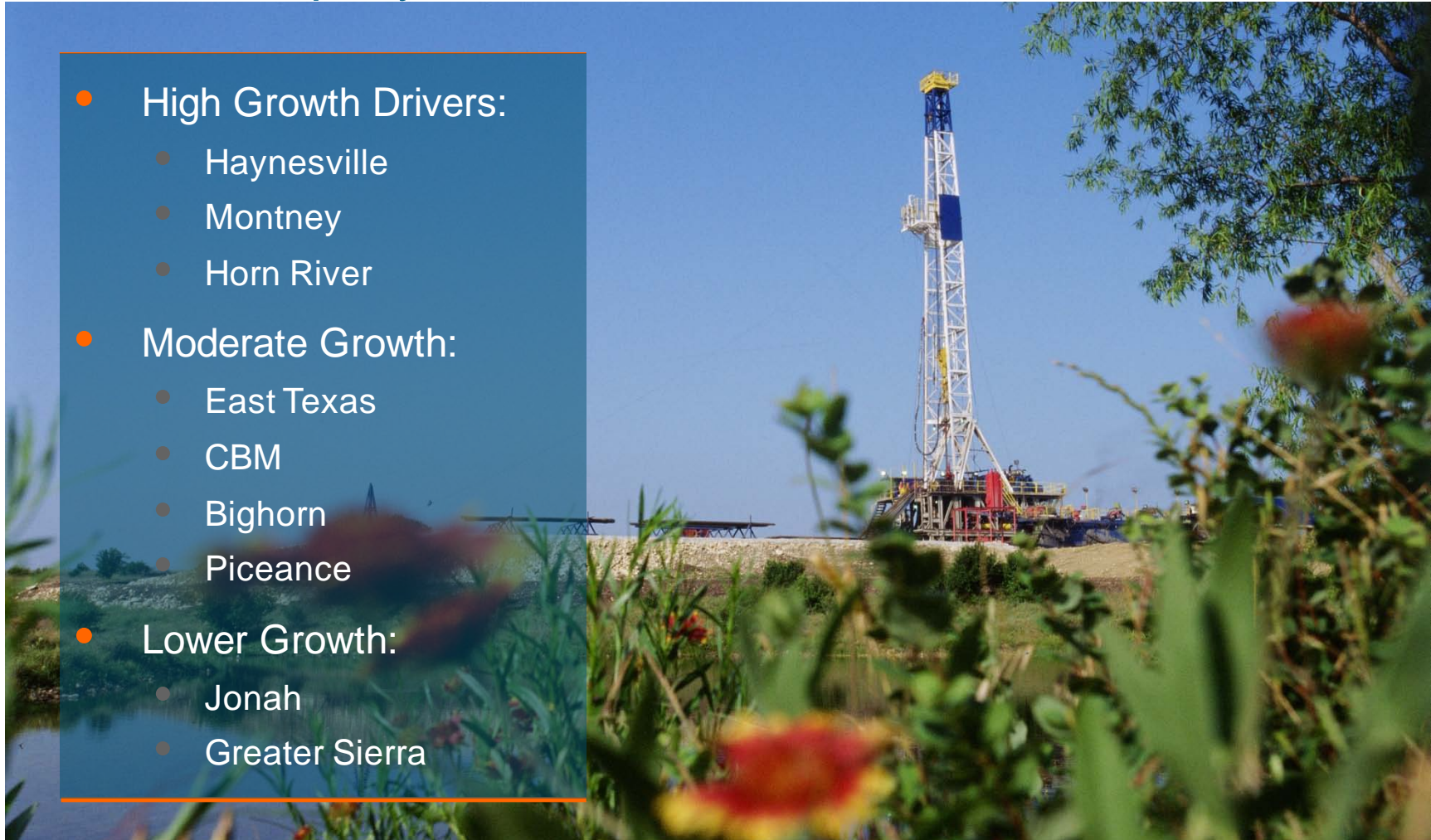


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High Growth Pure-play Natural Gas Company

Double Company Size Over Next Five Years

- High Growth Drivers:
 - Haynesville
 - Montney
 - Horn River
- Moderate Growth:
 - East Texas
 - CBM
 - Bighorn
 - Piceance
- Lower Growth:
 - Jonah
 - Greater Sierra

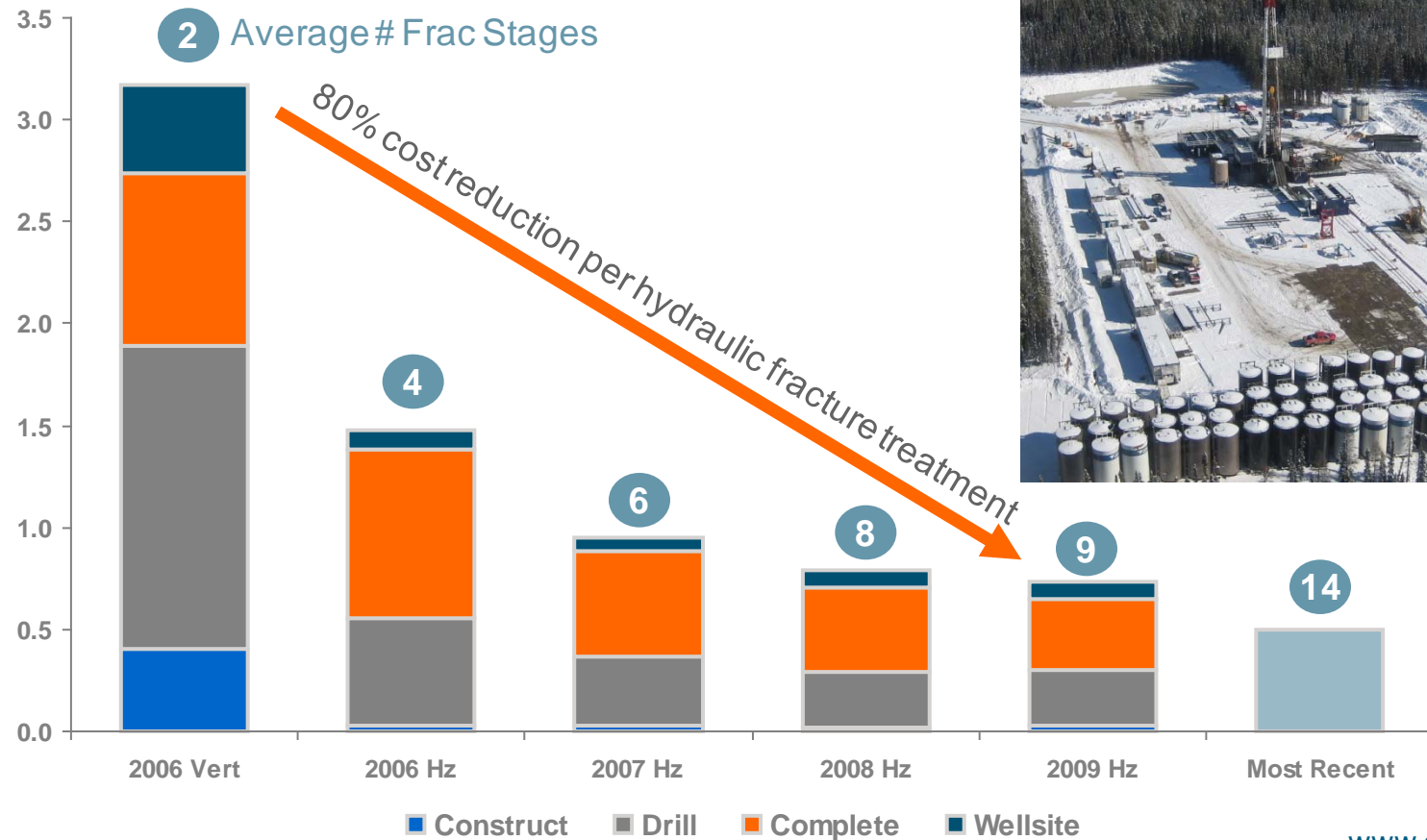


Horizontal Well Technology

Combined with Multi-stage Fracturing in the Montney

Cost per Equivalent Vertical Well

C\$ MM/Interval

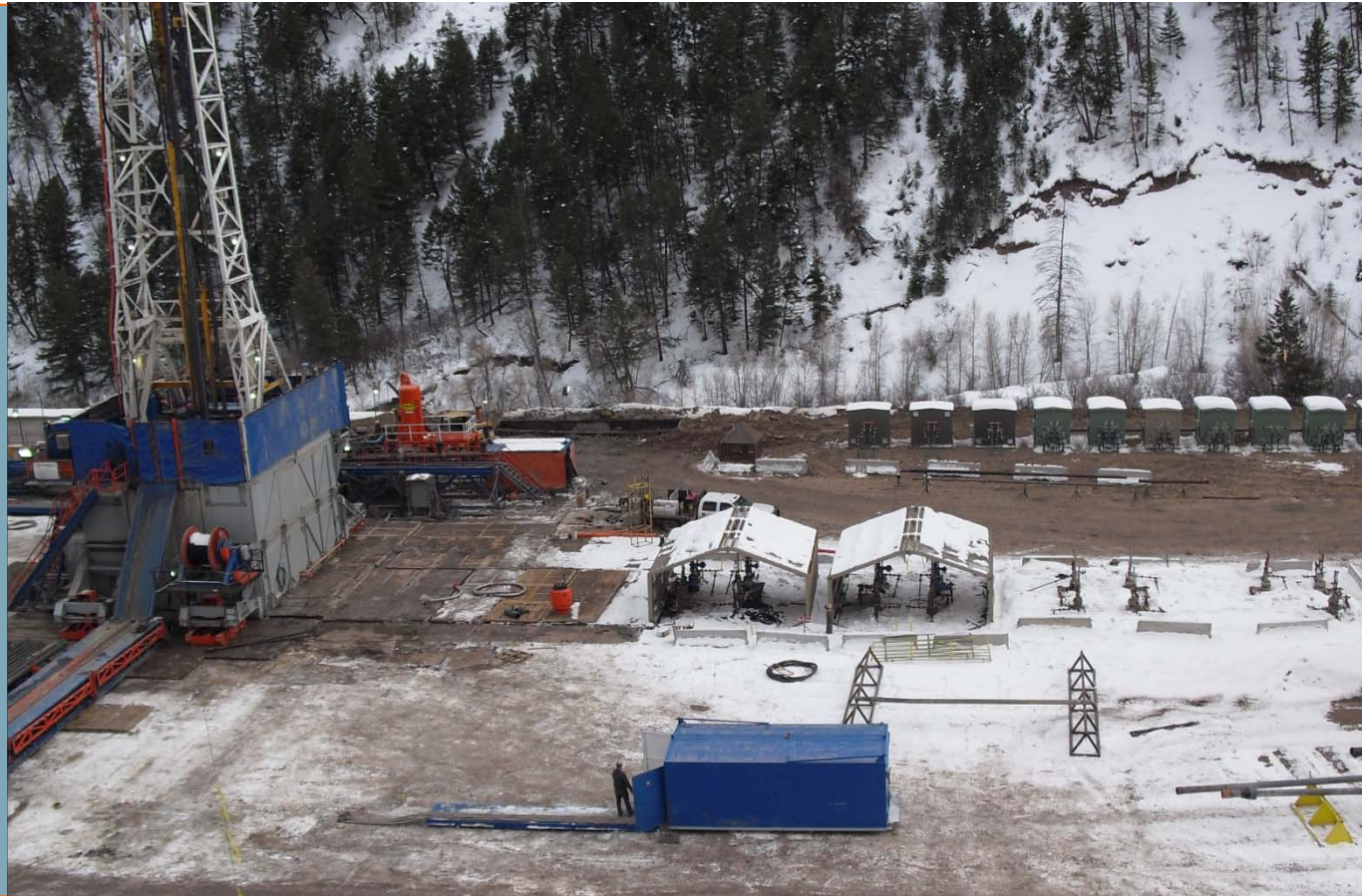


Gas Factories – Optimizing Efficiency

Achieving Economies Of Scale Across Our Portfolio

Concentrated resource + Pad drilling + Manufacturing practices = Gas factory

- Innovative
- Simultaneous operations
- Reduce costs
- Improve efficiencies
- Reduce environmental footprint
- Transferable learnings across portfolio



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Well Positioned To Thrive

- Portfolio Across North America
 - Breadth of portfolio across provides insight into natural gas fundamentals
 - Competitive advantage
- Expect lower long-term natural gas prices
 - Focused on maximizing margins and lowering cost structures
- Financial Strength
- Experienced People
 - Value-driven culture

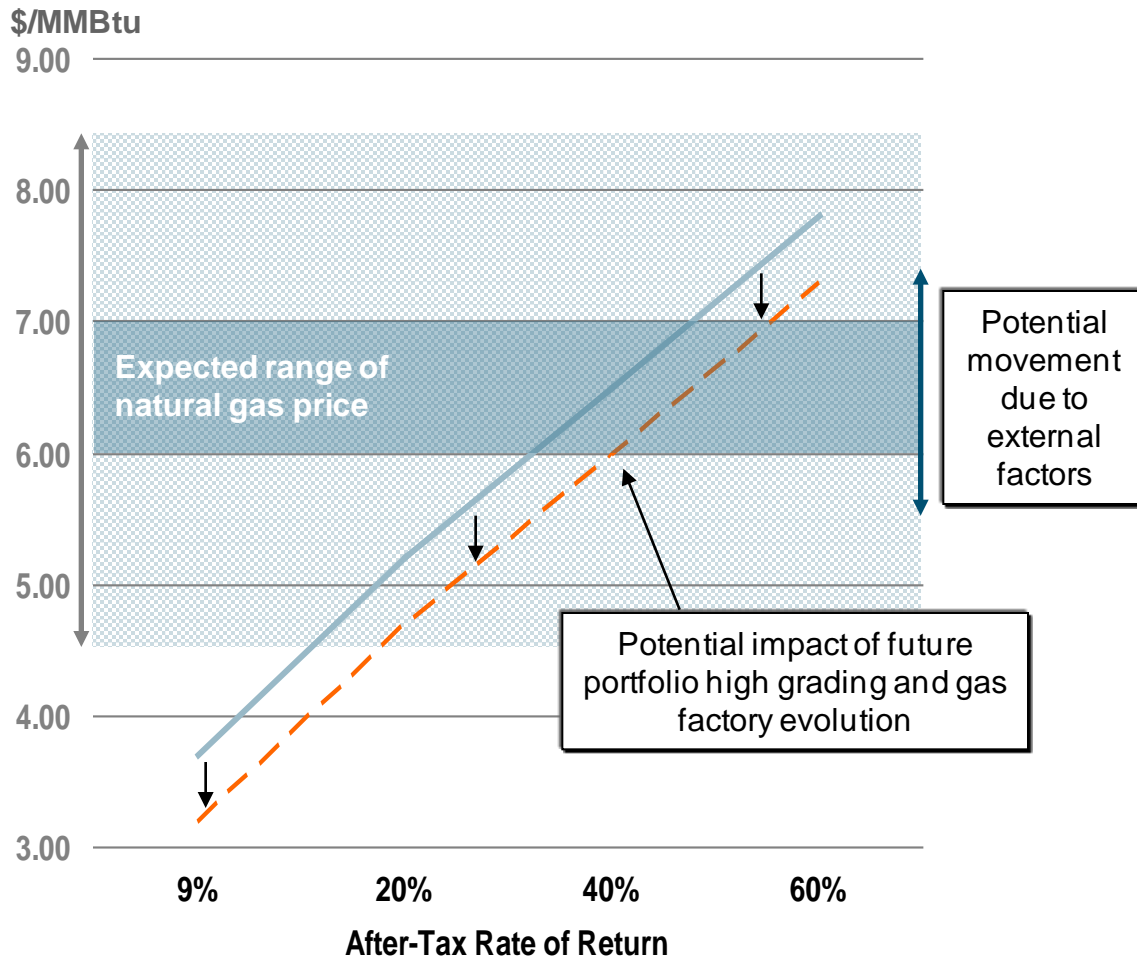


Value driven corporate culture

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Focused on Lowest Supply Costs

Rates of Return at Various NYMEX Gas Prices



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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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



Those with the assets, the size
and the skills will succeed.

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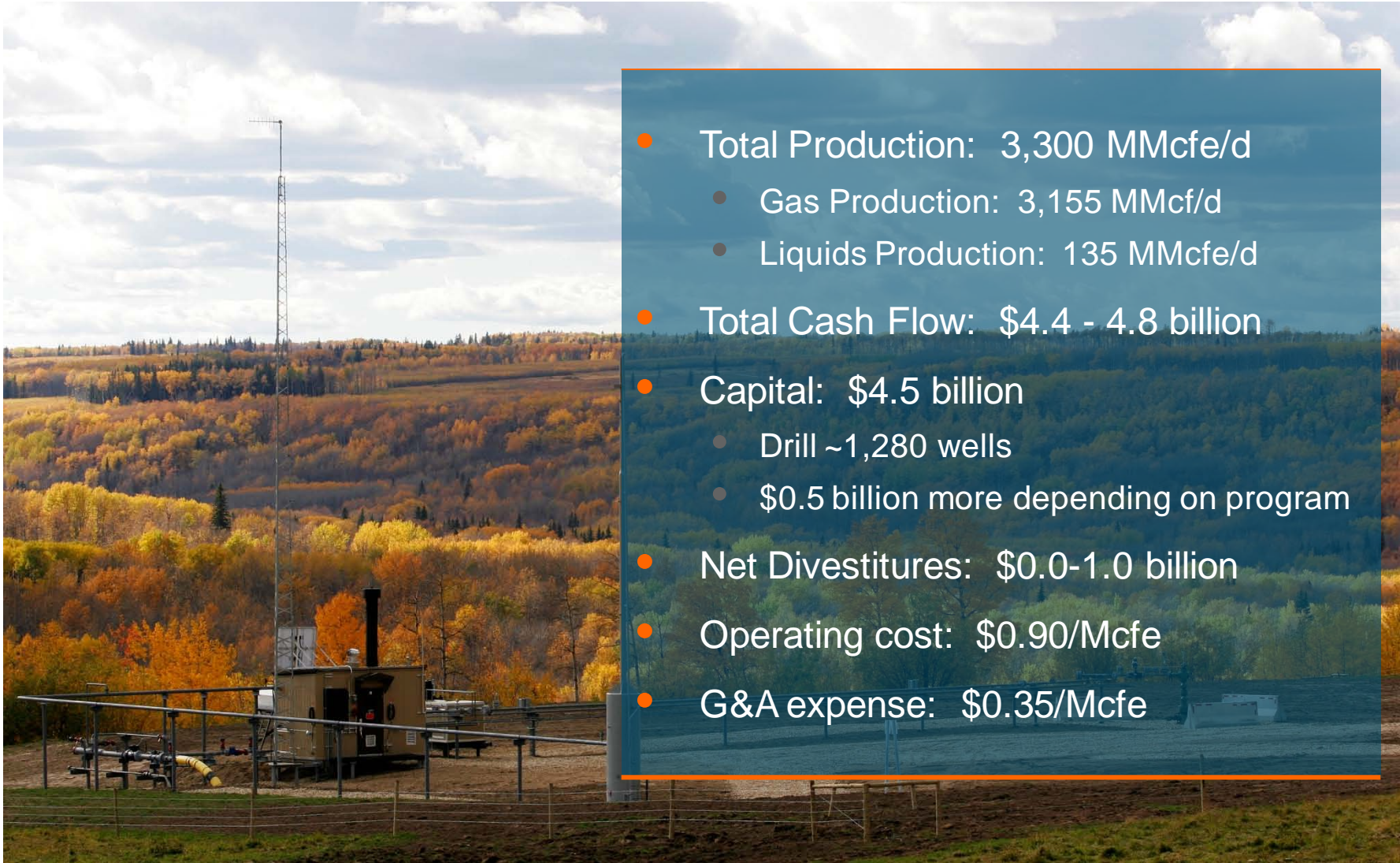
Forecast Growth Profile – 2011 to 2014



- Capital: ~ \$6 billion per year
- Drill: ~ 2,500 wells per year
- Haynesville reaches over 1.2 Bcfe/d
- Montney reaches over 600 MMcef/d
- Horn River reaches over 500 MMcfe/d
- Panuke on stream

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2010F Guidance*



- Total Production: 3,300 MMcfe/d
 - Gas Production: 3,155 MMcf/d
 - Liquids Production: 135 MMcfe/d
- Total Cash Flow: \$4.4 - 4.8 billion
- Capital: \$4.5 billion
 - Drill ~1,280 wells
 - \$0.5 billion more depending on program
- Net Divestitures: \$0.0-1.0 billion
- Operating cost: \$0.90/Mcfe
- G&A expense: \$0.35/Mcfe

*Assumptions as noted in Encana Corporate Guidance dated March 16, 2010.

www.encana.com

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Financial Flexibility



- Total debt of \$7.8 billion at an average pre-tax rate of 6.2%
 - Current cash and cash equivalents of \$2.4 billion
- Bank credit facilities – best in class
 - Unused committed \$5 billion revolving facility
- Strong investment grade credit ratings

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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 sale of producing assets to purchase shares
- Accelerate value recognition through additional capital and 3rd party investment
- Target a competitive dividend



A new company for a
new natural gas era

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



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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 size of company 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



Recognizing opportunities
before they are evident to
others