



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

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Natural Gas Fundamentals

Calgary | March 16, 2010

New York | March 18, 2010



North American Natural Gas Resource Potential

A New Era

What Has Happened?

- Shale-gas mega plays are transforming global energy markets
- The full-cycle cost of supply continues to drop while the resource potential continues to grow
- High cost plays will be displaced
- New infrastructure additions are allowing low-cost supplies to grow

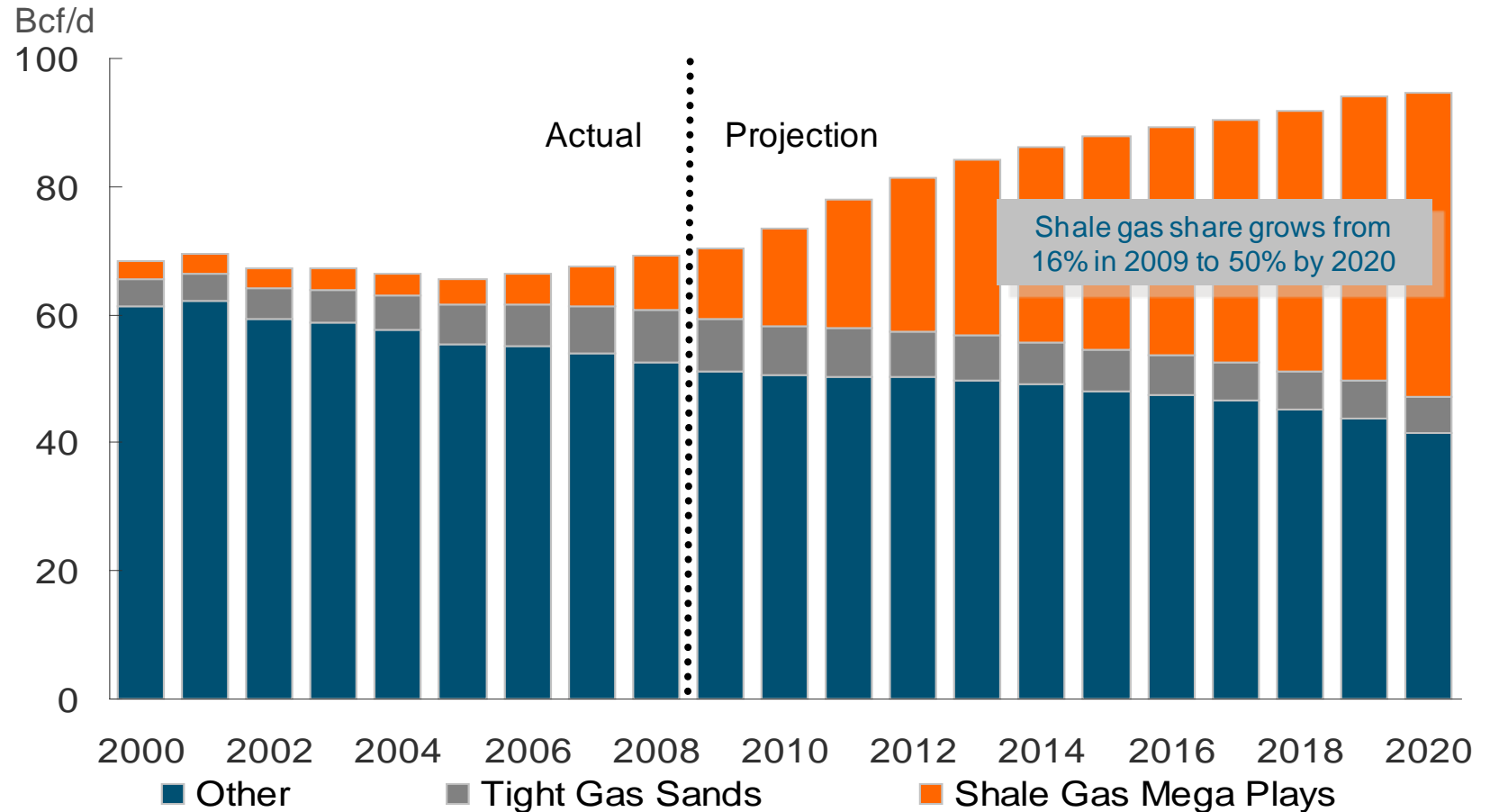
The Outcome:

- Producers with high cost portfolios are likely to be squeezed out and those companies that remain will be focused on margin
- North American natural gas is abundant, clean, reliable, and affordable
- Natural gas is well-positioned to serve a larger share of global energy demand

Productive Capacity in the U.S. and Canada

Supply Potential at \$6.50 NYMEX

Supply can grow substantially while maintaining affordable costs for consumers



Source: Encana, IHS Energy

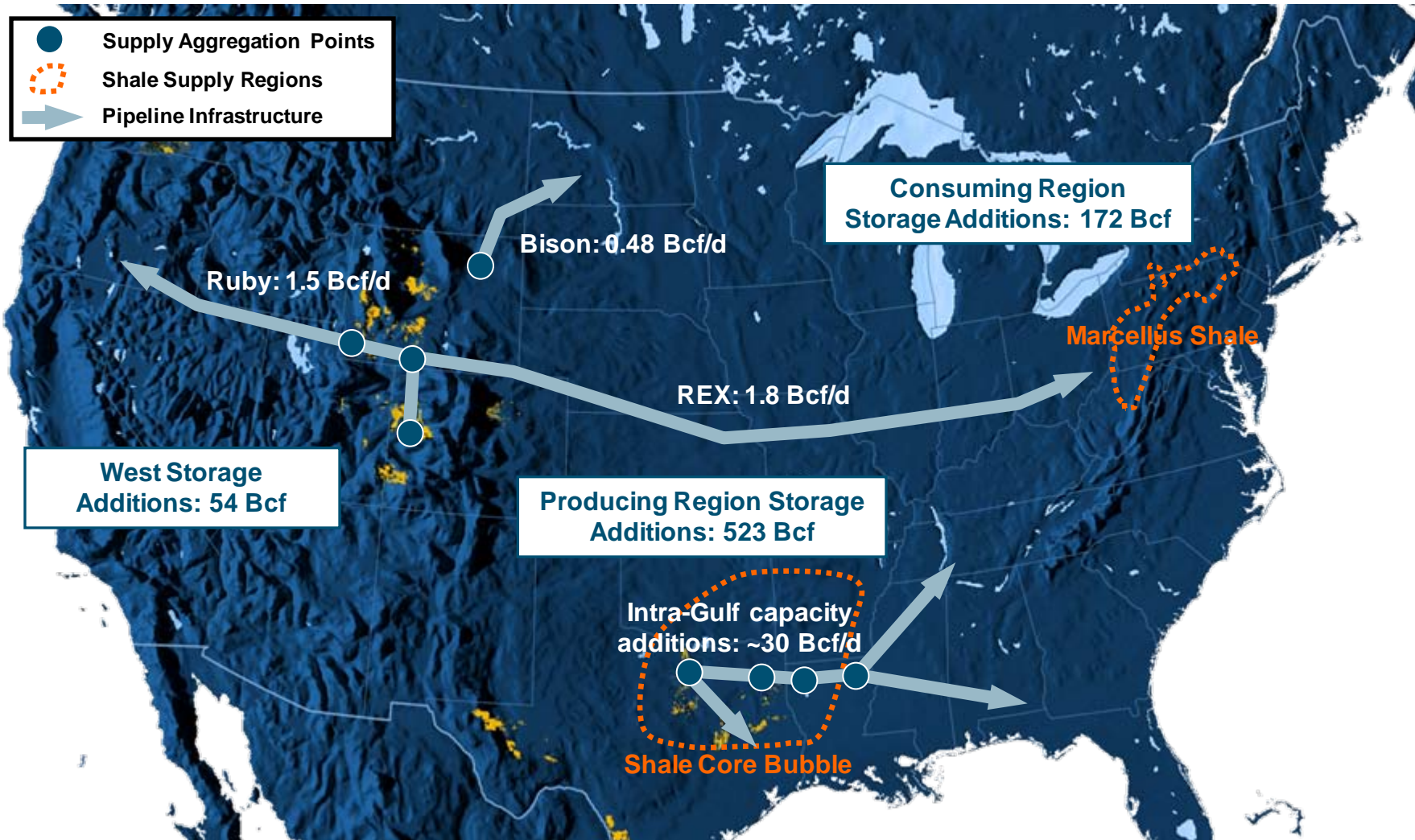
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Regional Market Highlights

- Massive infrastructure additions have caused price spreads to collapse across the North American continent
- Encana's portfolio has benefited greatly from the levelizing of price spreads
- The Rockies Region is not expected to become export-constrained over the next few years
- Western Canada prices are expected to remain well-connected to neighboring markets
- The Gulf Region is very well-piped and is expected to pose relatively little flow and price risk
- The Northeast Region should still provide premium pricing, even with significant growth from the Marcellus Shale play

The Connected Grid

New Infrastructure Has Changed the North American Gas Market



Source: Encana, FERC, EIA

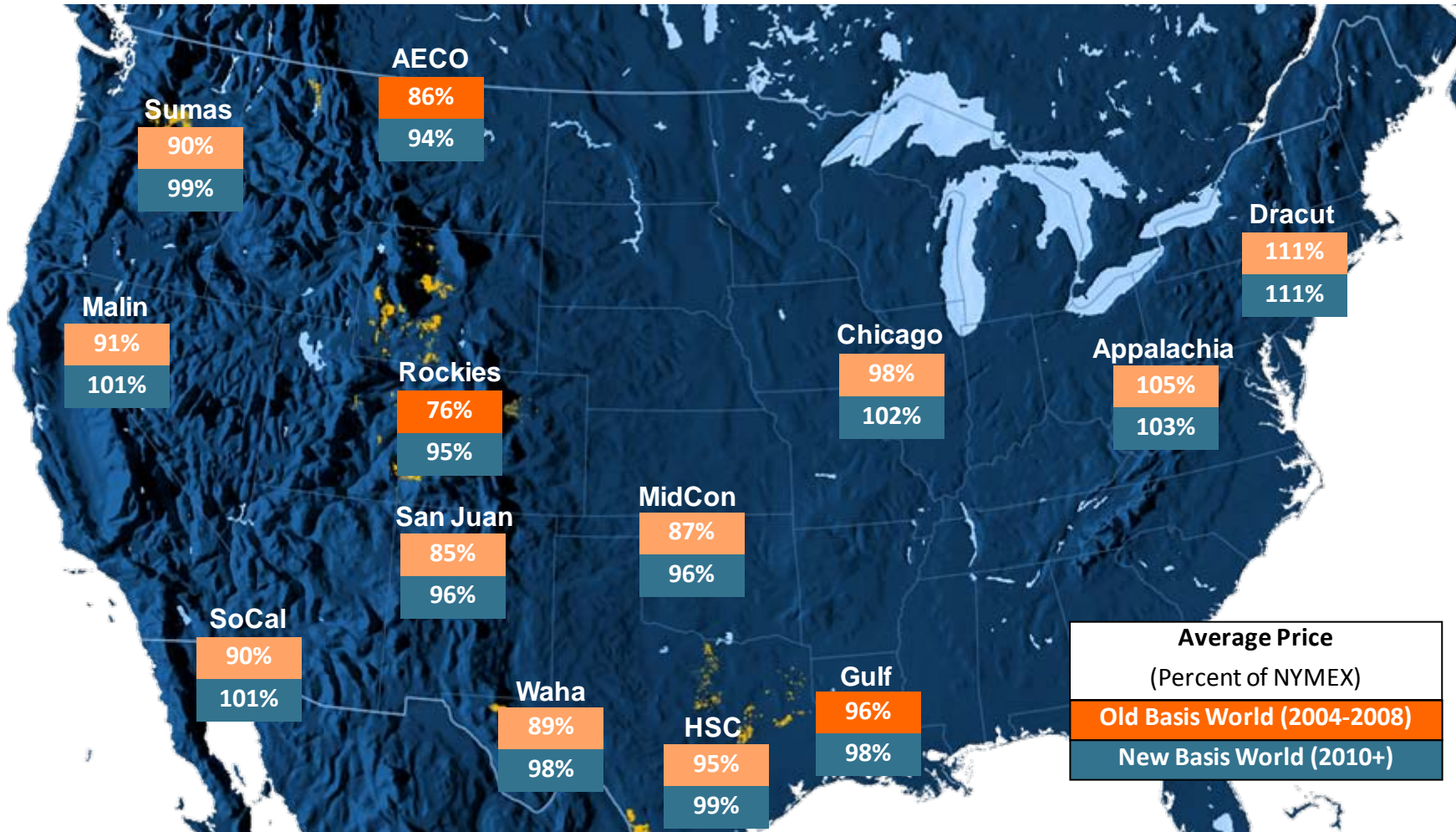
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Note: Includes projects built between 2007-2009 and committed projects to be built by 2012.

Encana's Regional Price Exposure

Historical & Forward Relationships to NYMEX*

Encana's portfolio benefits from tightening West-to-East spreads



Source: Encana, NYMEX Clearport, Platts Gas Daily

*Historical prices: Average Platts Gas Daily prices from 2004-2008.

*Forward prices as of market close on March 1, 2010. Average prices from 2010-2012.

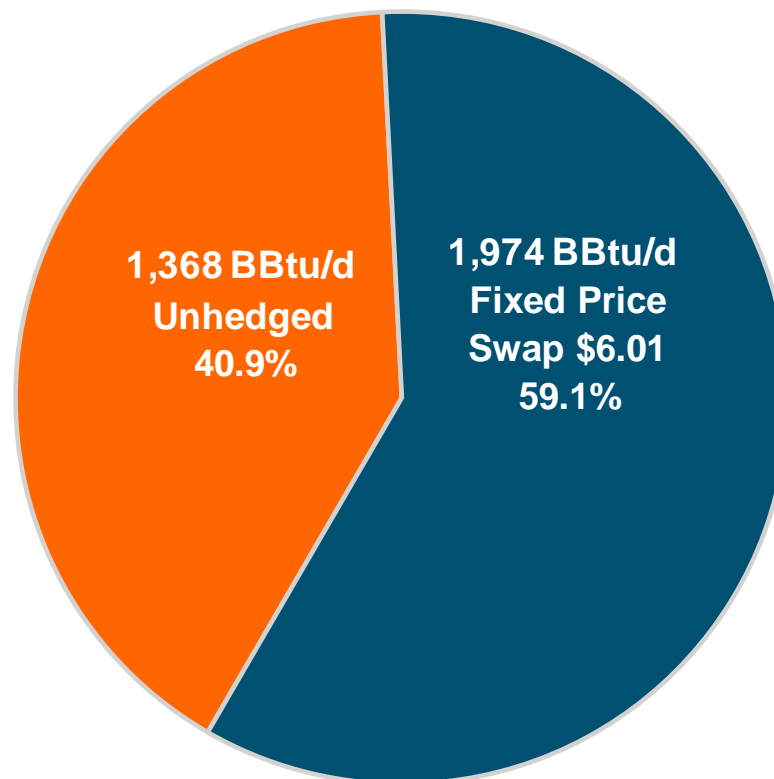
2010F Natural Gas Price Exposure

As of March 9, 2010

Encana Natural Gas Production

April-December 2010F Pro Forma Net Revenue Interest

3,342 BBtu/d



Note: April-December 2010 NYMEX Price: \$4.88 on March 9, 2010.
Encana has approximately 1,000 BBtu/d hedged in each of calendar years 2011 and 2012 at an average price of about \$6.50/Mcf.

Concluding Remarks

- Encana has long relied on industry-leading fundamentals analysis to enhance our netbacks and shareholder returns
- Encana's size, geographical diversity, and upstream institutional knowledge provide a competitive advantage in understanding market fundamentals
- We study market fundamentals to mitigate market price risk and optimize our upstream portfolio of assets
- Our dedication to studying market fundamentals and approach to taking action has resulted in:
 - Making key infrastructure investments that have provided significant uplift to Encana's upstream portfolio
 - Realized hedging gains (NYMEX and basis) of over \$6 billion*

*Before tax natural gas hedge gains realized since 2002.