EnCana
energy for people

NEWS RELEASE

EnCana generates second quarter cash flow of US$2.2 billion, or $2.87 per share – down 25 percent

Natural gas hedges deliver $900 million of realized after-tax gains

Calgary, Alberta, (July 23, 2009) – EnCana Corporation (TSX & NYSE: ECA) continued to deliver strong financial and operating performance in the second quarter of 2009 – a period of very low natural gas prices. Cash flow was $2.2 billion, or $2.87 per share, and operating earnings were $917 million, or $1.22 per share – down 25 and 38 percent respectively on a per share basis compared to the second quarter of 2008. EnCana's financial performance was greatly enhanced by its commodity price hedges, which contributed a $900 million after-tax gain, or $1.20 per share, to cash flow in the second quarter. Second quarter natural gas and oil production remained flat at 4.6 billion cubic feet equivalent per day (Bcfe/d) compared to the second quarter of 2008.

"EnCana's continued strong financial and operating performance during this period of weak natural gas prices provides clear evidence of how our risk management measures reduce volatility in our business and help us continue to enhance long-term value creation. In the past year, natural gas prices dropped close to 70 percent, yet we have continued to meet or exceed our 2009 financial and operating objectives. Our natural gas price hedges provide an increased level of certainty to our cash flows so that we can most effectively manage our capital programs. Operationally, our production is on track for the year and we have additional natural gas productive capacity that we are not bringing on due to the prevailing weak prices. In our oil activities, we've seen a promising price recovery from the first quarter of 2009 and our newly expanded oil projects at Foster Creek and Christina Lake are ramping up production, up about 65 percent in the past year," said Randy Eresman, EnCana's President & Chief Executive Officer.

"Through 2009, EnCana will remain focused on directing our capital investment to our lowest cost, highest return projects and on maintaining our financial strength and flexibility. We are taking advantage of cost deflation and reduced industry activity by renegotiating supply and services contracts and by improving efficiencies. EnCana's cost reduction initiatives, announced in February, have already exceeded our savings target of $900 million for the year. Some of those savings, achieved primarily through capital reductions, have been redeployed to other parts of our portfolio, largely to shale gas plays," Eresman said.

"Our financial position remains strong. In the past few months, we have secured additional support for our financial future by hedging more than 45 percent of our expected natural gas production during the 2010 gas year at a price averaging $6.09 per thousand cubic feet (Mcf). During all periods in the economic cycle, we strive to be the leading North American resource play company developing unconventional natural gas and enhanced oil," Eresman said.

IMPORTANT NOTE: EnCana reports in U.S. dollars unless otherwise noted and follows U.S. protocols, which report gas and oil production, sales and reserves on an after-royalties basis. The company's financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). Per share amounts for cash flow and earnings are on a diluted basis.

Second Quarter 2009 Highlights

(all year-over-year comparisons are to the second quarter of 2008)

Financial

- Cash flow decreased 25 percent per share to $2.87, or $2.2 billion
- Operating earnings were down 38 percent per share to $1.22, or $917 million
- Net earnings decreased 80 percent to 32 cents per share, or $239 million
- Capital investment, excluding acquisitions and divestitures, was down 37 percent to $1.1 billion, primarily due to lower drilling and completion costs as a result of fewer wells drilled, cost deflation, a weaker Canadian dollar and lower long-term incentive costs as a result of a decline in share price
- Free cash flow was $1.1 billion, down 8 percent (Free cash flow is defined in Note 1 on page 8)
- EnCana's integrated oil business venture with ConocoPhillips generated $293 million in operating cash flow, comprised of $139 million from the company's Foster Creek and Christina Lake upstream projects, and $154 million from the downstream business. Operating cash flow was down $174 million largely due to lower crack spreads and capacity utilization in the downstream business
- Realized natural gas prices were down 18 percent to $6.99 per Mcf and realized liquids prices decreased 44 percent to $50.23 per barrel (bbl). These prices include financial hedges
- At the end of the quarter, debt to capitalization was 27 percent and debt to adjusted EBITDA was 0.7 times
- Paid dividend of 40 cents per share
- Completed public offering in the United States of notes totalling $500 million at 6.5 percent

Operating – Upstream

- Key resource play production was up 1 percent, with a 27 percent increase in oil production and a 1 percent decrease in natural gas production
- Total natural gas production decreased 1 percent to 3.79 billion cubic feet per day (Bcf/d), down 1 percent per share
- Total oil and natural gas liquids (NGLs) production increased 6 percent to almost 136,000 barrels per day (bbls/d), up 6 percent per share
- Foster Creek and Christina Lake oil production grew 65 percent to approximately 40,700 bbls/d net to EnCana
- Operating and administrative costs of $1.15 per thousand cubic feet equivalent (Mcfe) decreased from $1.71 per Mcfe in the second quarter of 2008, primarily due to lower long-term incentive costs as a result of a decline in share price, a weaker Canadian dollar, and lower repairs, maintenance and workover costs

Operating – Downstream

- Refined products averaged 428,000 bbls/d (214,000 bbls/d net to EnCana), down 8 percent
- Refinery crude utilization of 89 percent or 404,000 bbls/d crude throughput (202,000 bbls/d net to EnCana), down 8 percent.

Net earnings positively impacted by hedging program

EnCana's net earnings were impacted by mark-to-market accounting for hedging contracts. EnCana's second quarter net earnings of $239 million were down $982 million from the second quarter of 2008. Net earnings in the second quarter of 2009 included a $900 million after-tax, realized gain on hedging, primarily offset by a $750 million after-tax, unrealized loss that was previously included in net earnings as unrealized gains due to mark-to-market accounting. It is because of these dramatic mark-to-market accounting swings in net earnings that EnCana focuses on operating earnings as a better measure of quarter-over-quarter earnings performance.

Realized after-tax hedging gains for the first eight months of the 2008-2009 natural gas year, which runs from November 1, 2008 to October 31, 2009, were $1.9 billion and, as of June 30, 2009, unrealized after-tax gains for the remainder of the gas year were about $1.1 billion, for a total of approximately $3.0 billion, after tax.

Financial Summary – Total Consolidated						
(for the period ended June 30) ($ millions, except per share amounts)	**Q2 2009**	Q2 2008	% Δ	**6 months 2009**	6 months 2008	% Δ
Cash flow[1]	**2,153**	2,889	-25	**4,097**	5,278	-22
Per share diluted	**2.87**	3.85	-25	**5.45**	7.02	-22
Operating earnings[1]	**917**	1,469	-38	**1,865**	2,514	-26
Per share diluted	**1.22**	1.96	-38	**2.48**	3.34	-26
Net earnings	**239**	1,221	-80	**1,201**	1,314	-9
Per share diluted	**0.32**	1.63	-80	**1.60**	1.75	-9

Earnings Reconciliation Summary – Total Consolidated						
Net earnings	**239**	1,221		**1,201**	1,314	
Add back (losses) & deduct gains						
Unrealized mark-to-market gain (loss), after tax	**(750)**	(235)		**(661)**	(972)	
Non-operating foreign exchange gain (loss), after tax	**72**	(13)		**(3)**	(228)	
Operating earnings[1]	**917**	1,469	-38	**1,865**	2,514	-26
Per share diluted	**1.22**	1.96	-38	**2.48**	3.34	-26

1 Cash flow and operating earnings are non-GAAP measures as defined in Note 1 on Page 8.

Production & Drilling Summary Total Consolidated						
(for the period ended June 30) (After royalties)	**Q2 2009**	Q2 2008	% Δ	**6 months 2009**	6 months 2008	% Δ
Natural Gas (MMcf/d)	**3,788**	3,841	-1	**3,828**	3,787	+1
Natural gas production per 1,000 shares (Mcf/d)	**5.04**	5.12	-1	**5.10**	5.05	+1
Oil and NGLs (Mbbls/d)	**136**	128	+6	**135**	132	+2
Oil and NGLs production per 1,000 shares (Mcfe/d)	**1.09**	1.02	+6	**1.08**	1.06	+2
Total Production (MMcfe/d)	**4,602**	4,607	-	**4,638**	4,582	+1
Total production per 1,000 shares (Mcfe/d)	**6.13**	6.14	-	**6.18**	6.11	+1
Net wells drilled	**216**	409	-47	**1,099**	1,552	-29

Key resource play oil production grows 27 percent; key resource play natural gas production steady

Oil and natural gas production from key resource plays increased 1 percent to 3.56 Bcfe/d compared to 3.51 Bcfe/d in the second quarter of 2008. Oil production was up 27 percent from the second quarter of 2008 to about 75,000 bbls/d led by Foster Creek and Christina Lake. Natural gas resource play production was down slightly, by 1 percent, to 3.1 Bcf/d, with lower volumes offset by Cutbank Ridge, which saw strong performance from the company's Montney developments in British Columbia. Production volumes benefited from lower royalties in Alberta, which were offset by a decision, due to lower prices and netbacks in certain areas, to shut in some wells, restrict some wells' productive capacity and delay some well completions or tie-ins to sales pipelines. These company-wide initiatives resulted in between 300 million and 400 million cubic feet per day (MMcf/d) being kept off line.

Integrated oil business contributes solid second quarter performance

EnCana's integrated oil business continued its strong performance with Foster Creek and Christina Lake production increasing 65 percent to about 40,700 bbls/d compared to the same quarter in 2008. Year-over-year oil prices fell dramatically from the record highs seen one year ago, but prices recovered significantly, up close to 40 percent, from the low levels experienced in the first quarter of 2009. Operating cash flow for Foster Creek and Christina Lake was up 11 percent to $139 million in 2009 compared to $125 million in 2008. The downstream operations reported a 55 percent decrease in operating cash flow to $154 million from $342 million mainly due to lower crack spreads and capacity utilization.

Expansion of enhanced oil production capacity at Foster Creek and Christina Lake remains on track

At Foster Creek, phases D and E were commissioned in the second quarter, each adding 30,000 bbls/d of productive capacity. Production continues to ramp up and is on target to exit 2009 exceeding 90,000 bbls/d (45,000 bbls/d net to EnCana). In the second quarter, a regulatory application was initiated for Foster Creek's phases F, G, and H with each phase expected to add about 30,000 bbls/d of productive capacity. At Christina Lake, construction of phase C continues to proceed on schedule and on budget. Phase C is expected to add about 40,000 bbls/d of capacity, with first production forecast in late 2011. Phase D of the Christina Lake project is targeted to be sanctioned by EnCana and ConocoPhillips in the fourth quarter of 2009. Regulatory applications for phases E, F and G at Christina Lake are expected to be filed in the third quarter of 2009 with each of these new phases designed to add approximately 40,000 bbls/d of productive capacity. EnCana continues to proceed through the regulatory application process for future expansion phases at Foster Creek and Christina Lake although exact timing of construction and initial production from these phases is subject to receipt of regulatory approvals and partnership sanction.

Haynesville and Horn River shale plays continue to show very strong results

EnCana continues to see improved operational performance and strong initial production rates from its Haynesville shale gas play. To date, EnCana has drilled 25 gross horizontal wells in the play. EnCana has increased fracture stimulations in each horizontal well from eight to as many as 14. This efficiency initiative has helped increase initial production rates and reduce well costs by about 35 percent from prior wells to an estimated $9 million per well. The strongest well performance continues to be in the northern portion of the company's Red River Parish leases where EnCana has a joint venture with Shell. EnCana exited the second quarter with gross production from North Louisiana of about 100 MMcf/d. EnCana is currently operating 10 rigs in the Haynesville Shale, up from five at the start of 2009, and is participating in another four rigs operated by Shell.

At Horn River, the joint drilling program by EnCana and Apache Corporation at Two Island Lake continues to meet or exceed expectations for both initial well production and expected size of the resource. As a result of the joint venture's combined activities, to date 32 gross wells have been drilled to evaluate the basin and 10 gross horizontal wells placed on production. Similar to activity at the Haynesville, fracture stimulations at Horn River have increased to up to 14 stages per horizontal section. The first wells completed in 2009 were placed on production towards the end of the quarter. The wells have shown strong results with flow rates of 9.5 MMcf/d to 11 MMcf/d after 15 days of initial flow. EnCana also commissioned a new compression and dehydration facility as well as a gas gathering pipeline that connects the Two Island Lake area with the Spectra pipeline system near the proposed EnCana operated Cabin gas plant.

Large opportunity ahead for abundant, affordable, cleaner-burning natural gas

"Looking ahead, we strongly believe there are tremendous opportunities for expanding the use of clean-burning natural gas to help solve some of our continent's most pressing energy, environmental and economic challenges. A number of respected geological authorities have recently confirmed the abundant nature of North American natural gas. This abundance will help ensure an affordable future for expanding natural gas in our economy, primarily by displacing foreign oil in transportation and by fuelling electricity generation. While the use of natural gas as a convenient and economic transportation fuel for trucks and cars is not common in North America, it is in wide use on other continents. As a step in that direction, EnCana has started to convert a portion of its vehicle fleet to run on natural gas in select Canadian and U.S. operating locations," Eresman said.

Growth from key North American resource plays

Resource Play (After royalties)	Daily Production								
	2009			2008					2007
	YTD	**Q2**	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year
Natural Gas (MMcf/d)									
Jonah	**600**	**576**	623	603	573	615	630	595	557
Piceance	**371**	**355**	386	385	377	407	383	372	348
East Texas	**356**	**304**	409	334	408	339	316	273	143
Fort Worth	**144**	**138**	149	142	143	148	137	140	124
Greater Sierra	**215**	**216**	215	220	228	228	219	205	211
Cutbank Ridge	**332**	**340**	323	296	311	322	280	271	258
Bighorn	**171**	**186**	156	167	165	185	170	146	126
CBM	**319**	**330**	309	304	308	309	303	298	259
Shallow Gas	**667**	**661**	673	700	683	691	712	715	726
Total natural gas (MMcf/d)	**3,175**	**3,106**	3,243	3,151	3,196	3,244	3,150	3,015	2,752
Oil (Mbbls/d)									
Foster Creek	**31**	**34**	28	26	29	27	21	27	24
Christina Lake	**6**	**6**	7	4	6	5	4	2	3
Pelican Lake	**20**	**19**	21	22	20	22	21	24	23
Weyburn	**16**	**15**	16	14	15	14	13	14	15
Total oil (Mbbls/d)[1]	**74**	**75**	72	66	71	67	59	67	65
Total (MMcfe/d)[1]	**3,617**	**3,557**	3,676	3,548	3,621	3,648	3,506	3,417	3,141
% change from prior period	**+4.6**	**-3.2**	+1.5	+13.0	-0.7	+4.1	+2.6	+2.7	+12.9

1 Totals may not add due to rounding.

Drilling activity in key North American resource plays

Resource Play	Net Wells Drilled								
	2009			2008					2007
	YTD	**Q2**	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year
Natural Gas									
Jonah	**65**	**30**	35	175	40	43	49	43	135
Piceance	**88**	**35**	53	328	70	94	81	83	286
East Texas	**26**	**11**	15	78	23	22	22	11	35
Fort Worth	**22**	**6**	16	83	21	21	20	21	75
Greater Sierra	**25**	**10**	15	106	14	29	27	36	109
Cutbank Ridge	**38**	**18**	20	82	17	17	24	24	93
Bighorn	**35**	**14**	21	64	5	11	18	30	62
CBM	**279**	**1**	278	698	359	78	10	251	1,079
Shallow Gas	**381**	**45**	336	1,195	383	233	83	496	1,914
Total gas wells	**959**	**170**	789	2,809	932	548	334	995	3,788
Oil									
Foster Creek	**16**	**10**	6	20	1	6	1	12	23
Christina Lake	**-**	**-**	-	-	-	-	-	-	3
Pelican Lake	**5**	**1**	4	-	-	-	-	-	-
Weyburn	**-**	**-**	-	21	3	4	5	9	37
Total oil wells	**21**	**11**	10	41	4	10	6	21	63
Total	**980**	**181**	799	2,850	936	558	340	1,016	3,851

Second quarter natural gas and oil prices

	Q2 2009	Q2 2008	**% Δ**	**6 months 2009**	6 months 2008	% Δ
Natural gas ($/MMBtu)						
NYMEX	**3.50**	10.93	-68	**4.19**	**9.48**	-56
EnCana realized gas price[1] ($/Mcf)	**6.99**	8.54	-18	**7.11**	**8.29**	-14
Oil and NGLs ($/bbl)						
WTI	**59.79**	123.80	-52	**51.68**	**111.12**	-53
Western Canadian Select (WCS)	**52.37**	102.18	-49	**43.50**	**89.58**	-51
Differential WTI/WCS	**7.42**	21.62	-66	**8.18**	**21.54**	-62
EnCana realized liquids price [1]	**50.23**	90.47	-44	**42.45**	**79.77**	-47
Chicago 3-2-1 crack spread ($/bbl)	**10.95**	13.60	-19	**10.35**	**10.65**	-3

1 Realized prices include the impact of financial hedging.

Price risk management

Risk management positions at June 30, 2009 are presented in Note 16 to the unaudited Interim Consolidated Financial Statements. In the second quarter of 2009, EnCana's commodity price risk management measures resulted in realized gains of approximately $900 million after tax, composed of an $896 million after-tax gain on gas prices and basis hedges and a $4 million after-tax gain on other hedges.

EnCana has hedged two-thirds of expected 2009 natural gas production, about 2.6 Bcf/d, through October of this year at an average NYMEX equivalent price of $9.13 per Mcf. EnCana has also extended its risk management program through 2010. As of July 21, 2009, EnCana had established fixed price hedges on more than 45 percent of the company's expected 2010 natural gas production - or about 2 Bcf/d - at an average NYMEX equivalent price of $6.09 per Mcf for the gas year, which runs from November 1, 2009 to October 31, 2010. EnCana also has 20,000 bbls/d of expected 2010 oil production hedged at an average fixed price of WTI $76.45 per bbl. This price hedging strategy increases certainty in cash flow to help ensure that EnCana can meet its capital and dividend requirements without substantially adding to debt. EnCana continually assesses its hedging needs and the opportunities available prior to establishing its capital program for the upcoming year.

Corporate developments

Quarterly dividend of 40 cents per share declared

EnCana's Board of Directors has declared a quarterly dividend of 40 cents per share payable on September 30, 2009 to common shareholders of record as of September 15, 2009. Based on the July 22, 2009 closing share price on the New York Stock Exchange of $52.57, this represents an annualized yield of about 3 percent.

"Plans for splitting EnCana into two independent companies, creating an integrated oil company and a pure-play natural gas company, continue to be evaluated, but are currently on hold as market conditions continue to be volatile," Eresman said.

Guidance updated

EnCana has updated its 2009 guidance for total natural gas, oil and NGLs production to a range of 4.4 to 4.8 Bcfe/d from 4.5 to 4.7 Bcfe/d. EnCana has also updated its capital investment guidance from $6.1 billion to a range of $5.5 billion to $6 billion. Total operating cost guidance has been reduced to $1.00 from $1.10 per Mcfe. Updated guidance and key resource play information is posted on the company's website at www.encana.com.

EnCana sells non-core properties for $632 million

On July 16, 2009, EnCana announced it had reached an agreement to sell approximately 409,000 net acres of non-core natural gas and oil producing properties for approximately $632 million to Bonavista Energy Trust. Current production on these lands is approximately 60 MMcfe/d, after royalties. The transaction includes properties known as the Hoadley trend which covers an expansive area in west-central Alberta. The sale has an effective date of April 1, 2009 and is subject to typical closing conditions and regulatory approvals. It is expected to close in the third quarter of 2009.

Financial strength

EnCana has a very strong balance sheet, with 88 percent of EnCana's outstanding debt comprised of long-term, fixed-rate debt with an average remaining term of more than 13 years. Upcoming debt maturities in 2009 are $250 million and in 2010 are $200 million. At June 30, 2009, EnCana had $3.4 billion in unused committed credit facilities. EnCana manages its financial strategy to achieve a strong investment grade credit rating. EnCana targets a debt to capitalization ratio of less than 40 percent and a debt to adjusted EBITDA ratio of less than 2.0 times. At June 30, 2009, the company's debt to capitalization ratio was 27 percent and debt to adjusted EBITDA, on a trailing 12-month basis, was 0.7 times.

On May 4, 2009, EnCana completed a public offering in the United States of $500 million notes with an interest rate of 6.50 percent due on May 15, 2019. The net proceeds of the offering were used to repay a portion of EnCana's existing bank and commercial paper indebtedness. The offering was made in the United States under EnCana's previously filed shelf prospectus dated March 11, 2008 and a prospectus supplement dated April 29, 2009.

In the quarter, EnCana invested $1.1 billion in capital on continued development of the company's long-term production and refining assets – including the coker and refinery expansion (CORE) project at the Wood River refinery in Illinois, expansion of upstream oil projects in northeast Alberta, development of the Deep Panuke natural gas project offshore Nova Scotia, and other long-term upstream projects with substantial future growth potential.

CONFERENCE CALL TODAY

11 a.m. Mountain Time (1 p.m. Eastern Time)

EnCana will host a conference call today Thursday, July 23, 2009 starting at 11:00 a.m. MT (1:00 p.m. ET). To participate, please dial (800) 733-7560 (toll-free in North America) or (416) 644-3414 approximately 10 minutes prior to the conference call. An archived recording of the call will be available from approximately 1:00 p.m. MT on July 23 until midnight July 30, 2009 by dialling (877) 289-8525 or (416) 640-1917 and entering passcode 21307975 followed by the pound (#) sign.

A live audio webcast of the conference call will also be available via EnCana's website, www.encana.com, under Investor Relations. The webcast will be archived for approximately 90 days.

NOTE 1: Non-GAAP measures

This news release contains references to non-GAAP measures as follows:

- Cash flow is a non-GAAP measure defined as cash from operating activities excluding net change in other assets and liabilities and net change in non-cash working capital, both of which are defined on the Consolidated Statement of Cash Flows, in this news release and interim financial statements.
- Free cash flow is a non-GAAP measure that EnCana defines as cash flow in excess of capital investment, excluding net acquisitions and divestitures, and is used to determine the funds available for other investing and/or financing activities.
- Operating earnings is a non-GAAP measure that shows net earnings excluding non-operating items such as the after-tax impacts of a gain/loss on discontinuance, the after-tax gain/loss of unrealized mark-to-market accounting for derivative instruments, the after-tax gain/loss on translation of U.S. dollar denominated debt issued from Canada and the partnership contribution receivable, the after-tax foreign exchange gain/loss on settlement of intercompany transactions, future income tax on foreign exchange related to U.S. dollar intercompany debt recognized for tax purposes only and the effect of changes in statutory income tax rates. Management believes that these excluded items reduce the comparability of the company's underlying financial performance between periods. The majority of the U.S. dollar debt issued from Canada has maturity dates in excess of five years.
- Capitalization is a non-GAAP measure defined as debt plus shareholders' equity. Debt to capitalization and debt to adjusted EBITDA are two ratios which management uses to steward the company's overall debt position as measures of the company's overall financial strength.
- Adjusted EBITDA is a non-GAAP measure defined as net earnings before gains or losses on divestitures, income taxes, foreign exchange gains or losses, interest net, accretion of asset retirement obligation, and depreciation, depletion and amortization.

These measures have been described and presented in this news release in order to provide shareholders and potential investors with additional information regarding EnCana's liquidity and its ability to generate funds to finance its operations.

EnCana Corporation

With an enterprise value of approximately $50 billion, EnCana is a leading North American unconventional natural gas and integrated oil company. By partnering with employees, community organizations and other businesses, EnCana contributes to the strength and sustainability of the communities where it operates. EnCana common shares trade on the Toronto and New York stock exchanges under the symbol ECA.

ADVISORY REGARDING RESERVES DATA AND OTHER OIL AND GAS INFORMATION – EnCana's disclosure of reserves data and other oil and gas information is made in reliance on an exemption granted to EnCana by Canadian securities regulatory authorities which permits it to provide such disclosure in accordance with U.S. disclosure requirements. The information provided by EnCana may differ from the corresponding information prepared in accordance with Canadian disclosure standards under National Instrument 51-101 (NI 51-101). EnCana's reserves quantities represent net proved reserves calculated using the standards contained in Regulation S-X of the U.S. Securities and Exchange Commission. Further information about the differences between the U.S. requirements and the NI 51-101 requirements is set forth under the heading "Note Regarding Reserves Data and Other Oil and Gas Information" in EnCana's Annual Information Form.

In this news release, certain crude oil and NGLs volumes have been converted to cubic feet equivalent (cfe) on the basis of one barrel (bbl) to six thousand cubic feet (Mcf). Also, certain natural gas volumes have been converted to barrels of oil equivalent (BOE) on the same basis. BOE and cfe may be misleading, particularly if used in isolation. A conversion ratio of one bbl to six Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS – In the interests of providing EnCana shareholders and potential investors with information regarding EnCana, including management's assessment of EnCana's and its subsidiaries' future plans and operations, certain statements contained in this news release are forward-looking statements or information within the meaning of applicable securities legislation, collectively referred to herein as "forward-looking statements." Forward-looking statements in this news release include, but are not limited to: future economic and operating performance (including per share growth, debt to capitalization ratio, debt to adjusted EBITDA ratio, sustainable growth and returns, free cash flow, cash flow, cash flow per share, operating earnings and increases in net asset value); projections contained in the company's guidance forecasts and the anticipated ability to meet the company's guidance forecasts; anticipated life of proved reserves; anticipated growth and success of resource plays and the expected characteristics of resource plays; anticipated production and drilling in the Horn River and Haynesville areas; anticipated cost reductions and production efficiencies from fracture stimulations; anticipated capacity and timing for the proposed Cabin Gas Plant; planned expansion of in-situ oil production; anticipated crude oil and natural gas prices, including basis differentials for various regions; anticipated expansion and production at Foster Creek and Christina Lake; anticipated divestitures; potential dividends; anticipated success of EnCana's price risk management strategy; anticipated hedging gains; potential demand for natural gas; anticipated drilling; potential capital expenditures and investment; potential oil, natural gas and NGLs production in 2009 and beyond; anticipated plans to ramp up production in the event of the recovery of natural gas prices; anticipated conversion of natural gas powered vehicles; anticipated costs and cost reductions; the company's plans for splitting into two independent companies and the conditions which may be required therefore; the expected closing date for the Bonavista Energy Trust transaction; and references to potential exploration. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These assumptions, risks and uncertainties include, among other things: volatility of and assumptions regarding oil and gas prices; assumptions based upon the company's current guidance; fluctuations in currency and interest rates; product supply and demand; market competition; risks inherent in the company's marketing operations, including credit risks; imprecision of reserves estimates and estimates of recoverable quantities of oil, natural gas and liquids from resource plays and other sources not currently classified as proved reserves; the ability of the company and ConocoPhillips to successfully manage and operate the integrated North American oil business and the ability of the parties to obtain necessary regulatory approvals; refining and marketing margins; potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; potential failure of new products to achieve acceptance in the market; unexpected cost increases or technical difficulties in constructing or modifying manufacturing or refining facilities; unexpected difficulties in manufacturing, transporting or refining crude oil; risks associated with technology; the company's ability to replace and expand oil and gas reserves; its ability to generate sufficient cash flow from operations to meet its current and future obligations; its ability to access external sources of debt and equity capital; the timing and the costs of well and pipeline construction; the company's ability to secure adequate product transportation; changes in royalty, tax, environmental, greenhouse gas, carbon, accounting and other laws or regulations or the interpretations of such laws or regulations; political and economic conditions in the countries in which the company operates; the risk of war, hostilities, civil insurrection and instability affecting countries in which the company operates and terrorist threats; risks associated with existing and potential future lawsuits and regulatory actions made against the company; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by EnCana. Although EnCana believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive.

Forward-looking information respecting anticipated 2009 cash flow for EnCana is based upon achieving average production of oil and gas for 2009 of approximately 4.4 to 4.8 Bcfe/d, year-to-date actuals and forward curve estimates for commodity prices and US/Canadian dollar foreign exchange rate as of June 30, 2009 and an average number of outstanding shares for EnCana of approximately 750 million. Assumptions relating to forward-looking statements generally include EnCana's current expectations and projections made by the company in light of, and generally consistent with, its historical experience and its perception of historical trends, as well as expectations regarding rates of advancement and innovation, generally consistent with and informed by its past experience, all of which are subject to the risk factors identified elsewhere in this news release.

Furthermore, the forward-looking statements contained in this news release are made as of the date of this news release, and, except as required by law, EnCana does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Further information on EnCana Corporation is available on the company's website, www.encana.com, or by contacting:

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