



## DIRECTOR COMPENSATION

All amounts reported in this section were paid to our directors in Canadian dollars. Unless otherwise noted, these amounts are converted from Canadian dollars to U.S. dollars for inclusion in this section using an exchange rate of C\$1.00=US\$0.9711 which is the average exchange rate for Canadian dollars to U.S. dollars for January 1, 2010 to December 31, 2010 based on the daily noon buying rate published by the Bank of Canada, as is required since our financial statements are published in U.S. dollars.

The compensation provided to our directors is reviewed to ensure that the components and level of compensation are appropriate for directors of a company the size and scope of Encana. Comparative industry survey data is reviewed from time to time to assist in reviewing director compensation.

During 2010, the fee structure for cash compensation for our non-employee directors was as follows:

<b>Annual Retainer</b> (paid in quarterly installments and prorated for periods of partial service)	\$29,133
<b>Annual Retainer for Chairman of the Board</b> (paid in quarterly installments)	\$242,775
<b>Committee Chair fee</b> (paid in quarterly installments)	\$7,283.25
<b>Audit Committee Chair Supplemental Fee</b> (paid in quarterly installments)	\$7,283.25
<b>Meeting fee</b> (for attendance in person or by telephone)	\$1,456.65 for Board meetings \$1,456.65 for Committee meetings

For each meeting of the Board or a Committee, where a director was required to travel to a meeting outside of the geographic region in which the director has his or her usual place of residence, an additional fee equal to the normal meeting fee was paid to the director.

Our Chief Executive Officer (“CEO”), Mr. Eresman, received no compensation for serving as a director of Encana. No compensation was paid to our directors to prepare for Board or Committee meetings.

We have a Deferred Share Unit Plan for Directors of Encana (“Directors’ DSU Plan”). Since January 1, 2010, all of the directors, except our CEO, Mr. Eresman, receive an annual grant of

10,000 DSUs effective January 1 of each year. Newly appointed or elected directors receive their initial grant of DSUs upon joining the Board. Our directors may also elect to take all or a portion of their annual retainer and meeting fees in the form of DSUs. DSUs vest once they are credited to the director's DSU account and are available when a director ceases to be a director of Encana.

When a dividend is paid on Common Shares, each director's DSU account is allocated additional DSUs equal in value to the dividend paid on an equivalent number of Common Shares.

When a director ceases to be a director of our company, by December 15 of the first calendar year following the year that the directorship ceased, the value of the DSUs credited to the director's DSU account is paid to the director in cash on an after-tax basis. The value of the DSUs is calculated by multiplying the number of DSUs in the director's DSU account by the then market value of a Common Share.

For information regarding the total number of DSUs and the total market value of Common Shares and DSUs held by our directors, see "Purposes of the Meeting — Election of Directors — Nominees for Election".

Encana's share ownership guidelines for directors require each director, by the later of January 1, 2008 and five years following the individual becoming a director, to purchase Common Shares or hold DSUs totaling in number of Common Shares and/or DSUs at least equal to three times the annual grant of DSUs which the director receives in his or her capacity as a director pursuant to the Directors' DSU Plan. Each director who has been a director for at least five years has exceeded the share ownership guidelines.

**Director Compensation Table**

The following table summarizes the annual compensation of our directors for the year ending December 31, 2010.

<b>Name</b>	<b>Fees Earned<sup>(1)</sup> (\$)</b>	<b>Share Based Awards<sup>(2)</sup> (\$)</b>	<b>All Other Compensation<sup>(3)</sup> (\$)</b>	<b>Total (\$)</b>
Peter A. Dea	28,989	342,942	1,629	373,560
Claire S. Farley	64,093	342,942	6,095	413,129
Fred J. Fowler	45,561	342,942	5,999	394,502
Barry W. Harrison	68,463	342,942	3,181	414,586
Suzanne P. Nimocks	50,983	342,942	5,999	399,924
David P. O'Brien, O.C.	317,064 <sup>(4)</sup>	342,942	1,725	661,731
Jane L. Peverett	74,289	342,942	3,181	420,413
Allan P. Sawin	55,353 <sup>(4)</sup>	342,942	3,181	401,476
Bruce G. Waterman	34,816	342,942	3,086	380,843
Clayton H. Woitas	59,723	342,942	3,181	405,846

**Notes:**

- (1) Fees earned include annual Board retainer, Board and Committee meeting fees and, where applicable, Committee Chair retainers.
- (2) We grant 10,000 DSUs to our directors effective on January 1st of each year (or for new directors, upon joining the Board). We have calculated a grant date indicative fair market value for each 10,000 DSU grant in the amount of \$341,100 using the closing price of a Common Share on the TSX on December 31, 2009 of \$34.11 and converted these amounts from Canadian dollars to U.S. dollars using a December 31, 2010 exchange rate of C\$1.00 = US\$1.0054 for the total amount of \$342,942. This value also represents the amount of share-based awards that vested in 2010 for our directors.
- (3) Represents travel fees paid to directors, as applicable, and the value of provided insurance coverage.
- (4) Elected to receive all or a portion of fees in the form of DSUs.