



Encana Corporation

IFRS Financial Information
(unaudited)

For the period ended December 31, 2010

U.S. Dollars

Consolidated Statements of Earnings *(unaudited)*

	2010				
	Year	Q4	Q3	Q2	Q1
<i>(\$ millions, except per share amounts)</i>					
Revenues, Net of Royalties	\$ 8,870	\$ 1,431	\$ 2,425	\$ 1,469	\$ 3,545
Expenses					
Production and mineral taxes	217	47	49	52	69
Transportation	859	217	217	214	211
Operating	1,060	283	267	246	264
Purchased product	739	179	189	160	211
Exploration and evaluation	65	45	13	4	3
Depreciation, depletion and amortization	3,318	843	825	836	814
Impairments	496	496	-	-	-
(Gain) loss on divestitures	(141)	29	(73)	(44)	(53)
Accretion of asset retirement obligation	48	12	12	11	13
Administrative	361	99	69	107	86
Interest	501	121	119	131	130
Foreign exchange (gain) loss, net	(250)	(184)	(153)	231	(144)
Net Earnings (Loss) Before Income Tax	1,597	(756)	891	(479)	1,941
Income tax expense (recovery)	427	(287)	285	(22)	451
Net Earnings (Loss)	\$ 1,170	\$ (469)	\$ 606	\$ (457)	\$ 1,490
Net Earnings (Loss) per Common Share					
Basic	\$ 1.58	\$ (0.64)	\$ 0.82	\$ (0.62)	\$ 1.99
Diluted	\$ 1.55	\$ (0.64)	\$ 0.80	\$ (0.62)	\$ 1.96

Consolidated Balance Sheets *(unaudited)*

(\$ millions)	2010			
	Q4	Q3	Q2	Q1
Assets				
Current Assets				
Cash and cash equivalents	\$ 629	\$ 1,397	\$ 1,481	\$ 1,994
Accounts receivable and accrued revenues	1,103	1,012	1,157	1,109
Risk management	729	993	725	1,318
Income tax receivable	390	369	318	204
Inventories	3	6	3	15
	2,854	3,777	3,684	4,640
Exploration and Evaluation	2,158	2,048	1,890	2,034
Property, Plant and Equipment, net	26,145	25,562	24,738	24,796
Investments and Other Assets	196	221	337	257
Risk Management	505	692	469	544
Goodwill	1,725	1,683	1,648	1,700
	\$ 33,583	\$ 33,983	\$ 32,766	\$ 33,971
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 2,269	\$ 2,191	\$ 2,058	\$ 2,157
Risk management	65	95	96	260
Current debt	500	-	200	200
	2,834	2,286	2,354	2,617
Long-Term Debt	7,129	7,586	7,553	7,604
Other Liabilities and Provisions	1,758	1,573	1,430	1,361
Risk Management	8	14	16	23
Asset Retirement Obligation	953	946	857	871
Deferred Income Taxes	4,068	4,284	3,866	3,817
	16,750	16,689	16,076	16,293
Shareholders' Equity				
Share capital	2,319	2,319	2,319	2,335
Retained earnings	14,264	14,880	14,421	15,187
Accumulated other comprehensive income	250	95	(50)	156
Total Shareholders' Equity	16,833	17,294	16,690	17,678
	\$ 33,583	\$ 33,983	\$ 32,766	\$ 33,971

Consolidated Statements of Cash Flows *(unaudited)*

(\$ millions)	2010				
	Year	Q4	Q3	Q2	Q1
Operating Activities					
Net earnings (loss)	\$ 1,170	\$ (469)	\$ 606	\$ (457)	\$ 1,490
Exploration and evaluation	50	40	10	-	-
Depreciation, depletion and amortization	3,318	843	825	836	814
Impairments	496	496	-	-	-
(Gain) loss on divestitures	(141)	29	(73)	(44)	(53)
Accretion of asset retirement obligation	48	12	12	11	13
Deferred income taxes	640	(262)	381	82	439
Unrealized (gain) loss on risk management	(945)	398	(491)	511	(1,363)
Unrealized foreign exchange (gain) loss	(278)	(191)	(160)	242	(169)
Other	79	21	21	36	1
Net change in other assets and liabilities	(84)	1	(16)	(38)	(31)
Net change in non-cash working capital	(1,990)	1	209	(286)	(1,914)
Cash From (Used in) Operating Activities	2,363	919	1,324	893	(773)
Investing Activities					
Capital expenditures	(4,764)	(1,426)	(1,218)	(1,096)	(1,024)
Acquisitions	(733)	(392)	(189)	(124)	(28)
Proceeds from divestitures	883	309	220	208	146
Net change in investments and other	(80)	20	117	(94)	(123)
Net change in non-cash working capital	(33)	(59)	3	33	(10)
Cash From (Used in) Investing Activities	(4,727)	(1,548)	(1,067)	(1,073)	(1,039)
Financing Activities					
Issuance of revolving debt	1,660	1,219	-	-	441
Repayment of revolving debt	(1,660)	(1,219)	-	-	(441)
Repayment of long-term debt	(200)	-	(200)	-	-
Issuance of common shares	5	-	-	1	4
Purchase of common shares	(499)	-	-	(179)	(320)
Dividends on common shares	(590)	(147)	(147)	(147)	(149)
Cash From (Used in) Financing Activities	(1,284)	(147)	(347)	(325)	(465)
Foreign Exchange Gain (Loss) on Cash and Cash Equivalents Held in Foreign Currency	2	8	6	(8)	(4)
Increase (Decrease) in Cash and Cash Equivalents	(3,646)	(768)	(84)	(513)	(2,281)
Cash and Cash Equivalents, Beginning of Period	4,275	1,397	1,481	1,994	4,275
Cash and Cash Equivalents, End of Period	\$ 629	\$ 629	\$ 1,397	\$ 1,481	\$ 1,994
Cash (Bank Overdraft), End of Period	\$ 126	\$ 126	\$ (22)	\$ (26)	\$ (23)
Cash Equivalents, End of Period	503	503	1,419	1,507	2,017
Cash and Cash Equivalents, End of Period	\$ 629	\$ 629	\$ 1,397	\$ 1,481	\$ 1,994

Segmented Information *(unaudited)*

(All amounts in \$ millions unless otherwise specified)

Results of Operations

Segment and Geographic Information

	Year	Canadian Division				USA Division				
		Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Revenues, Net of Royalties	\$ 2,829	\$ 693	\$ 692	\$ 724	\$ 720	\$ 4,275	\$ 961	\$ 1,028	\$ 1,078	\$ 1,208
Expenses										
Production and mineral taxes	8	-	3	4	1	209	47	46	48	68
Transportation	197	52	52	48	45	662	165	165	166	166
Operating	559	163	128	128	140	467	117	117	122	111
Purchased product	-	-	-	-	-	-	-	-	-	-
	2,065	478	509	544	534	2,937	632	700	742	863
Exporation and evaluation	4	1	2	1	-	51	44	1	3	3
Depreciation, depletion and amortization	1,286	335	331	325	295	1,954	487	475	492	500
Impairments	496	496	-	-	-	-	-	-	-	-
(Gain) loss on divestitures	(86)	(37)	(47)	8	(10)	(53)	67	(25)	(53)	(42)
	\$ 365	\$ (317)	\$ 223	\$ 210	\$ 249	\$ 985	\$ 34	\$ 249	\$ 300	\$ 402

	Year	Market Optimization				Corporate & Other				
		Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Revenues, Net of Royalties	\$ 797	\$ 194	\$ 205	\$ 170	\$ 228	\$ 969	\$ (417)	\$ 500	\$ (503)	\$ 1,389
Expenses										
Production and mineral taxes	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Operating	34	8	11	5	10	-	(5)	11	(9)	3
Purchased product	739	179	189	160	211	-	-	-	-	-
	24	7	5	5	7	969	(412)	489	(494)	1,386
Exporation and evaluation	-	-	-	-	-	10	-	10	-	-
Depreciation, depletion and amortization	11	3	2	3	3	67	18	17	16	16
(Gain) loss on divestitures	-	-	-	-	-	(2)	(1)	(1)	1	(1)
	\$ 13	\$ 4	\$ 3	\$ 2	\$ 4	\$ 894	\$ (429)	\$ 463	\$ (511)	\$ 1,371

	Year	Consolidated			
		Q4	Q3	Q2	Q1
Revenues, Net of Royalties	\$ 8,870	\$ 1,431	\$ 2,425	\$ 1,469	\$ 3,545
Expenses					
Production and mineral taxes	217	47	49	52	69
Transportation	859	217	217	214	211
Operating	1,060	283	267	246	264
Purchased product	739	179	189	160	211
	5,995	705	1,703	797	2,790
Exporation and evaluation	65	45	13	4	3
Depreciation, depletion and amortization	3,318	843	825	836	814
Impairments	496	496	-	-	-
(Gain) loss on divestitures	(141)	29	(73)	(44)	(53)
	2,257	(708)	938	1	2,026
Accretion of asset retirement obligation	48	12	12	11	13
Administrative	361	99	69	107	86
Interest	501	121	119	131	130
Foreign exchange (gain) loss, net	(250)	(184)	(153)	231	(144)
	660	48	47	480	85
Net Earnings (Loss) Before Income Tax	1,597	(756)	891	(479)	1,941
Income tax expense (recovery)	427	(287)	285	(22)	451
Net Earnings (Loss)	\$ 1,170	\$ (469)	\$ 606	\$ (457)	\$ 1,490

Segmented Information *(unaudited)*

(All amounts in \$ millions unless otherwise specified)

Results of Operations (continued)

Product and Divisional Information

	Canadian Division									
	Year	Gas				Liquids				
		Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Revenues, Net of Royalties	\$ 2,480	\$ 621	\$ 603	\$ 627	\$ 629	\$ 305	\$ 67	\$ 78	\$ 79	\$ 81
Expenses										
Production and mineral taxes	7	-	3	3	1	1	-	-	1	-
Transportation	194	51	51	47	45	3	1	1	1	-
Operating	528	155	120	122	131	16	4	4	2	6
Operating Cash Flow	\$ 1,751	\$ 415	\$ 429	\$ 455	\$ 452	\$ 285	\$ 62	\$ 73	\$ 75	\$ 75

	Canadian Division									
	Year	Other				Total				
		Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Revenues, Net of Royalties	\$ 44	\$ 5	\$ 11	\$ 18	\$ 10	\$ 2,829	\$ 693	\$ 692	\$ 724	\$ 720
Expenses										
Production and mineral taxes	-	-	-	-	-	8	-	3	4	1
Transportation	-	-	-	-	-	197	52	52	48	45
Operating	15	4	4	4	3	559	163	128	128	140
Operating Cash Flow	\$ 29	\$ 1	\$ 7	\$ 14	\$ 7	\$ 2,065	\$ 478	\$ 509	\$ 544	\$ 534

	USA Division									
	Year	Gas				Liquids				
		Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Revenues, Net of Royalties	\$ 3,912	\$ 876	\$ 941	\$ 983	\$ 1,112	\$ 244	\$ 62	\$ 56	\$ 65	\$ 61
Expenses										
Production and mineral taxes	185	40	41	42	62	24	7	5	6	6
Transportation	662	165	165	166	166	-	-	-	-	-
Operating	391	98	100	107	86	-	-	-	-	-
Operating Cash Flow	\$ 2,674	\$ 573	\$ 635	\$ 668	\$ 798	\$ 220	\$ 55	\$ 51	\$ 59	\$ 55

	USA Division									
	Year	Other				Total				
		Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Revenues, Net of Royalties	\$ 119	\$ 23	\$ 31	\$ 30	\$ 35	\$ 4,275	\$ 961	\$ 1,028	\$ 1,078	\$ 1,208
Expenses										
Production and mineral taxes	-	-	-	-	-	209	47	46	48	68
Transportation	-	-	-	-	-	662	165	165	166	166
Operating	76	19	17	15	25	467	117	117	122	111
Operating Cash Flow	\$ 43	\$ 4	\$ 14	\$ 15	\$ 10	\$ 2,937	\$ 632	\$ 700	\$ 742	\$ 863

Supplemental Financial & Operating Information *(unaudited)*

IFRS Net Capital Investment (\$ millions)	2010				
	Year	Q4	Q3	Q2	Q1
Capital Investment					
Canadian Division	2,206	648	524	489	545
USA Division	2,495	750	677	594	474
	4,701	1,398	1,201	1,083	1,019
Market Optimization	2	1	-	1	-
Corporate & Other	61	27	17	12	5
Capital Investment	4,764	1,426	1,218	1,096	1,024
Acquisitions					
Property					
Canadian Division	592	358	175	46	13
USA Division	141	34	14	78	15
Divestitures					
Property					
Canadian Division	(288)	(88)	(171)	(20)	(9)
USA Division	(595)	(221)	(49)	(188)	(137)
Net Acquisitions and Divestitures	(150)	83	(31)	(84)	(118)
Net Capital Investment	4,614	1,509	1,187	1,012	906

Production Volumes - After Royalties	2010				
	Year	Q4	Q3	Q2	Q1
Produced Gas (MMcf/d)					
Canadian Division	1,323	1,395	1,390	1,327	1,177
USA Division	1,861	1,835	1,791	1,875	1,946
	3,184	3,230	3,181	3,202	3,123
Liquids (bbls/d)					
Canadian Division	13,149	11,327	14,262	13,462	13,558
USA Division	9,638	9,206	9,142	10,112	10,108
	22,787	20,533	23,404	23,574	23,666
Total (MMcfe/d)					
Canadian Division	1,402	1,463	1,476	1,408	1,258
USA Division	1,919	1,890	1,846	1,936	2,007
	3,321	3,353	3,322	3,344	3,265

Supplemental Oil and Gas Operating Statistics *(unaudited)*

IFRS Operating Statistics - After Royalties

Per-unit Results (excluding impact of realized financial hedging)	2010				
	Year	Q4	Q3	Q2	Q1
Produced Gas - Canadian Division (\$/Mcf)					
Price	4.10	3.73	3.69	3.92	5.21
Production and mineral taxes	0.01	-	0.02	0.02	0.01
Transportation	0.40	0.40	0.39	0.38	0.41
Operating	1.09	1.20	0.95	1.00	1.21
Netback	2.60	2.13	2.33	2.52	3.58
Produced Gas - USA Division (\$/Mcf)					
Price	4.73	4.08	4.57	4.45	5.78
Production and mineral taxes	0.27	0.24	0.25	0.25	0.35
Transportation	0.97	0.98	1.00	0.97	0.95
Operating	0.58	0.59	0.61	0.62	0.49
Netback	2.91	2.27	2.71	2.61	3.99
Produced Gas - Total (\$/Mcf)					
Price	4.47	3.93	4.19	4.23	5.56
Production and mineral taxes	0.16	0.13	0.15	0.15	0.22
Transportation	0.73	0.73	0.74	0.73	0.74
Operating	0.79	0.85	0.76	0.78	0.77
Netback	2.79	2.22	2.54	2.57	3.83
Liquids - Canadian Division (\$/bbl)					
Price	64.79	69.24	59.44	63.80	67.71
Production and mineral taxes	0.44	0.51	0.37	0.53	0.35
Transportation	0.82	0.69	0.93	1.10	0.53
Operating	3.24	4.03	2.27	2.22	4.67
Netback	60.29	64.01	55.87	59.95	62.16
Liquids - USA Division (\$/bbl)					
Price	69.35	73.27	66.38	70.62	67.18
Production and mineral taxes	6.69	7.43	6.42	6.68	6.25
Transportation	-	-	-	-	-
Netback	62.66	65.84	59.96	63.94	60.93
Total Liquids (\$/bbl)					
Price	66.72	71.05	62.15	66.73	67.48
Production and mineral taxes	3.08	3.61	2.74	3.17	2.87
Transportation	0.47	0.38	0.57	0.63	0.30
Operating	1.87	2.22	1.38	1.26	2.67
Netback	61.30	64.84	57.46	61.67	61.64
Total Netback - Canadian Division (\$/Mcf)					
Price	4.47	4.10	4.05	4.30	5.60
Production and mineral taxes	0.02	-	0.02	0.03	0.01
Transportation	0.38	0.39	0.38	0.37	0.39
Operating	1.05	1.17	0.91	0.96	1.18
Netback	3.02	2.54	2.74	2.94	4.02
Total Netback - USA Division (\$/Mcf)					
Price	4.94	4.32	4.76	4.68	5.94
Production and mineral taxes	0.30	0.27	0.27	0.28	0.38
Transportation	0.95	0.95	0.97	0.94	0.92
Operating	0.56	0.57	0.59	0.60	0.48
Netback	3.13	2.53	2.93	2.86	4.16
Total Netback (\$/Mcf)					
Price	4.74	4.22	4.45	4.52	5.81
Production and mineral taxes	0.18	0.15	0.16	0.17	0.23
Transportation	0.71	0.70	0.71	0.70	0.71
Operating ⁽¹⁾	0.77	0.83	0.73	0.76	0.75
Netback	3.08	2.54	2.85	2.89	4.12

⁽¹⁾ 2010 full year operating costs include costs related to long-term incentives of \$0.01/Mcfe.

Impact of Realized Financial Hedging

	2010				
	Year	Q4	Q3	Q2	Q1
Natural Gas (\$/Mcf)	1.01	1.10	1.08	1.27	0.58
Liquids (\$/bbl)	(0.60)	(2.14)	(0.36)	0.32	(0.41)
Total (\$/Mcf)	0.97	1.05	1.04	1.22	0.55
Canadian Division (\$/Mcf)	0.93	1.02	0.94	1.16	0.55
USA Division (\$/Mcf)	1.00	1.07	1.11	1.27	0.55
Total (\$/Mcf)	0.97	1.05	1.04	1.22	0.55

Supplemental Financial Information *(unaudited)*

IFRS Financial Results

(\$ millions, except per share amounts)

		2010			
	Year	Q4	Q3	Q2	Q1
Encana Results					
Cash Flow ⁽¹⁾	4,437	917	1,131	1,217	1,172
Per share - Diluted ⁽³⁾	5.98	1.25	1.53	1.65	1.56
Operating Earnings ⁽²⁾	598	50	85	66	397
Per share - Diluted ⁽³⁾	0.81	0.07	0.12	0.09	0.53
Net Earnings (Loss)	1,170	(469)	606	(457)	1,490
Per share - Diluted ⁽³⁾	1.55	(0.64)	0.80	(0.62)	1.96
Effective Tax Rates using					
Net Earnings	26.7%				
Canadian Statutory Rate	28.2%				
Foreign Exchange Rates (US\$ per C\$1)					
Average	0.971	0.987	0.962	0.973	0.961
Period end	1.005	1.005	0.971	0.943	0.985
Cash Flow Summary					
Cash From (Used in) Operating Activities	2,363	919	1,324	893	(773)
Deduct (Add back):					
Net change in other assets and liabilities	(84)	1	(16)	(38)	(31)
Net change in non-cash working capital	(1,990)	1	209	(286)	(1,914)
Cash Flow ⁽¹⁾	4,437	917	1,131	1,217	1,172
Operating Earnings Summary					
Net Earnings (Loss)	1,170	(469)	606	(457)	1,490
Deduct (Add back):					
Unrealized hedging gain (loss), after tax	634	(269)	331	(340)	912
Exploration and evaluation, after tax	(26)	(26)	-	-	-
Impairments, after tax	(371)	(371)	-	-	-
Gain (loss) on divestitures, after tax	101	(12)	51	28	34
Non-operating foreign exchange gain (loss), after tax	234	159	139	(211)	147
Operating Earnings ⁽²⁾	598	50	85	66	397

⁽¹⁾ 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, which are reported in the Consolidated Statement of Cash Flows.

⁽²⁾ Operating Earnings is a non-GAAP measure defined as Net earnings excluding non-recurring or non-cash items that Management believes reduces the comparability of the Company's financial performance between periods. These after-tax items may include, but are not limited to, unrealized hedging gains/losses, exploration and evaluation expenses, impairments and impairment reversals, gains/losses on divestitures, foreign exchange gains/losses and the effect of changes in statutory income tax rates.

⁽³⁾ Net earnings per common share is calculated using the weighted average number of Encana common shares outstanding as follows:

		2010			
(millions)	Year	Q4	Q3	Q2	Q1
Weighted Average Common Shares Outstanding					
Basic	739.7	736.3	736.3	737.6	748.7
Diluted	741.7	736.3	737.8	737.6	752.3

IFRS Financial Metrics

	2010
	Year
Debt to Capitalization ⁽¹⁾	31%
Debt to Adjusted EBITDA ^(1, 2)	1.4x
Return on Capital Employed ^(1, 2)	6%

⁽¹⁾ Calculated using debt defined as current and long-term debt.

⁽²⁾ Calculated on a trailing twelve-month basis.