

2011F ENCANA CORPORATE GUIDANCE

US\$, US Protocols

June 21, 2011



2011F

Cash Flow (\$ billions, except per share amounts)

Total Cash Flow ⁽¹⁾⁽²⁾⁽³⁾	4.0 - 4.3
- per common share, diluted (\$/share)	5.40 - 5.90
Upstream Operating Cash Flow ⁽¹⁾⁽⁴⁾	4.6 - 4.9

Production (after royalties)

Natural Gas (MMcf/d)	3,350 - 3,400
Oil and NGLs (Mbbbls/d)	21
Total (MMcfe/d, 6:1)	<u>3,475 - 3,525</u>
Annual Percentage Growth Per Share ⁽⁵⁾	5% - 7%
Weighted Average Common Shares Outstanding - Basic (millions)	736

Capital Investment (\$ billions)

Upstream	4.4
Market Optimization & Corporate	<u>0.3</u>
Capital Investment	<u>4.6 - 4.8</u>
Net Divestitures	1.0 - 2.0

(1) 2011 guidance based on NYMEX of \$4.50/Mcf to \$5.00/Mcf, WTI of \$85.00/bbl to \$95.00/bbl and a U.S./Canadian dollar exchange rate of \$0.95 to \$1.05.

(2) Forecast includes an allowance for a modest cash tax recovery. Further information on income tax can be found in Note 9 of the Annual Consolidated Financial Statements dated December 31, 2010.

(3) 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.

(4) Operating Cash Flow is a non-GAAP measure and is defined as Gross Revenues less; Royalties, Production and Mineral Taxes, Transportation, Operating Expenses and costs of Product Purchased. This measure has been described and presented in this guidance 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.

(5) Based on forecast production per day divided by Weighted Average Outstanding Basic Common Shares versus prior year.

2011F Encana Corporate Guidance cont'd....



2011F

Operating Costs (annual average)

Total Operating and Administrative Costs (\$/Mcf) 1.15 - 1.20

Other

DD&A, Upstream (\$/Mcf) 2.60 - 2.65

Sensitivities⁽³⁾ (\$ millions)

	Cash Flow ⁽²⁾	Operating Earnings ⁽¹⁾
\$0.50/Mcf increase in the NYMEX natural gas price	220	170
\$0.50/Mcf decrease in the NYMEX natural gas price	(220)	(170)
\$0.05 decrease in the U.S./Canadian dollar exchange rate	10	100

(1) Operating earnings is a non-GAAP measure. Operating Earnings is 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.

(2) Cash Flow is a non-GAAP measure. Please refer to footnote 3 on page 1 of this guidance.

(3) Full year 2011 sensitivities based on approximated hedge positions as at January 31, 2011.

ADVISORY: In the interests of providing Encana Corporation ("Encana" or the "Company") shareholders and potential investors with information regarding Encana, including Management's assessment of future plans and operations relating to Encana, this document contains certain statements and information that are forward-looking statements or information within the meaning of applicable securities legislation, and which are collectively referred to herein as "forward-looking statements". Forward-looking statements in this document include, but are not limited to, statements and tables (collectively "statements") with respect to projected 2011 cash flow, production, capital expenditures, including net divestitures, and operating and other costs.

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 commodity prices; assumptions based upon the Company's current guidance; risk that the company may not successfully divest certain assets within the expected dates and realize the benefits thereof; fluctuations in currency and interest rates; product supply and demand; market competition; risks inherent in the Company's and its subsidiaries' marketing operations, including credit risks; imprecision of reserves and resources estimates and estimates of recoverable quantities of natural gas and liquids from resource plays and other sources not currently classified as proved, probable or possible reserves or economic contingent resources; marketing margins; potential disruption or unexpected technical difficulties in developing new facilities; unexpected cost increases or technical difficulties in constructing or modifying processing facilities; risks associated with technology; the Company's ability to replace and expand natural 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; 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. In addition, assumptions relating to such forward-looking statements generally include Encana's current expectations and projections made in light of, and generally consistent with, its historical experience and its perception of historical trends, including the conversion of resources into reserves and production 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 document.

Furthermore, the forward-looking statements contained in this document are made as of the date of this document, 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 document are expressly qualified by this cautionary statement.