



**Horn River Conference Call
Conference Call Notes
As at October 4, 2011**

Slide 1: Title Slide

Ryder McRitchie, Vice-President, Investor Relations: Thank you operator and welcome everyone to the first of our planned 2011 conference call series.

In place of our traditional investor event and field tours, we felt it was more effective to feature two key plays in our portfolio that have been receiving a lot of investor attention. Today's session, focused on the Horn River, will highlight the work our teams have been doing over the past year, how this has lowered our overall cost structures, and how this resource play truly is a world-class asset.

We have scheduled a second call for Wednesday, November 2. It will focus on our Haynesville shale resource play, and we will also provide an update on our USA Division operations and market fundamentals at that time.

But first, a brief bit of housekeeping.

As we will be talking about Encana's future, I need you to be aware of this advisory regarding the use of future-oriented information in this presentation and in the subsequent presentations.

In addition, Encana is a Canadian-headquartered company. Therefore, I am required by Canadian securities regulators to encourage you to read the advisory located at the end of this presentation which has been posted to our website at www.encana.com. We report our financial results in U.S. dollars and our operating results according to U.S. protocols.

Encana's production volumes and reserve quantities are reported on an after royalties basis, unless otherwise noted.

Now, on to the presentation.

Mike Graham, Executive Vice-President and President, Canadian Division will start off with a brief overview of EnCana's Canadian portfolio and a discussion of the company's strategy and ongoing efforts to continue to reduce cost structures; Kevin Smith, Vice-President, Fort Nelson Business Unit and Canadian New Ventures will provide a review of our Horn River resource play; and Dave Thorn, Vice-President Canadian Marketing, will conclude with a discussion of the pipeline and infrastructure situation in western Canada, including our plans for the Kitimat LNG facility, and then we will open up the lines for questions.

I will now turn the call over to Mike.

Slide 2: Take a Closer Look; Strategically Positioned to Excel

Mike Graham, Executive Vice-President & President, Canadian Division: Good morning everyone, I'm excited to speak to you today about our operations in the Horn River.

Encana is and has been the industry leader in the application of technology in creating the highly successful resource play development model now widely used in North America. Because of the success of this development model, oil and natural gas plays that were among the highest cost to develop just a few years ago, are now among the lowest.

Natural gas has gone from being in short supply to being abundant, and the production of oil and natural gas liquids is on a growth curve in North America for the first time since the mid 70s.

Encana's industry leadership has positioned us well – we have a great asset base and innovative, value driven teams. And we have a clear vision for the future. Our goal is to achieve the greatest long term value creation for our shareholders, while at the same time stewarding the company both financially and operationally to maintain and grow shareholder value in the short-term.

Slide 3: Encana Corporation; Vast Land Position

Today, Encana is one of North America's largest natural gas resource play companies with among the largest and highest quality portfolio of undeveloped resources. Encana is the largest natural gas producer in Canada at 1.5 billion cubic feet equivalent per day production. We are the second largest producer in North America at 3.5 billion cubic feet equivalent per day.

Because we entered these plays at an early stage, we have amassed large, concentrated, contiguous land positions in the core of many of North America's best natural gas resource plays – at low costs.

Our portfolio also includes large land positions in what we believe to be highly prospective oil and liquids rich natural gas plays. We now hold more than 2 million net acres that are prospective for natural gas liquids and oil.

With almost 12 million net acres of land, we are very well positioned – usually in the heart of the play – in every region in which we operate. If you include the additional land where we have royalty interest, we have close to 13.5 million net acres.

Slide 4: Canadian Division; Strategic Focus

In the Canadian Division, we have about 9.1 million net acres of land.

I like to say that no one is better positioned for growth in Canada than Encana. From the second quarter of 2010 to the second quarter of this year, the Canadian Division increased production by 9 percent to over 1.5 billion cubic feet equivalent per day.

With Deep Panuke volumes coming on in early 2012 at 200 to 300 million cubic feet per day, growth again in 2012 should be very strong for Encana's Canadian Division. We are also starting to transition the Canadian Division to more liquids production, and we are well positioned in several emerging liquids-rich plays.

Encana is well positioned in the Deep Basin of Alberta and British Columbia, where we plan to increase natural gas liquids production from 10,000 barrels per day to 30,000 barrels per day in the next couple of

years by putting in deep cut facilities. The first of these should come on in the fourth quarter of this year at Musreau, thereby increasing Encana's liquids production by around 5,000 barrels per day.

We also have assembled 365,000 net acres, including royalty interest lands, in the Duvernay, and we are drilling two horizontal wells prior to year end which will help us delineate this exciting liquids-rich play in Alberta.

In the natural gas industry, technology advancements are occurring quickly. At Encana, we embrace these changes and use technology to our advantage. We're drilling longer laterals – in the Montney and in the Horn River we've drilled horizontal laterals to more than 10,000 feet – and we are designing larger completions to optimize recoveries and reduce supply costs.

Slide 5: Horn River

Encana has about 278,000 net acres of land in the Horn River. Production for the second quarter of 2011 averaged about 85 million cubic feet equivalent per day, and we are targeting an average of 95 million cubic feet equivalent per day for this year.

For background, in early 2003, Encana was drilling a Middle Devonian Nahanni test when the well took a kick in the Muskwa shale formation. While the primary objective did not yield economic gas rates, this significant gas show in a shale formation intrigued the geologists on the team.

Once we assessed the potential of this resource and made preliminary estimates around deliverability, infrastructure, and marketing, we made a decision to move ahead with land acquisition, and we developed a 50-50 partnership with Apache.

Today, the Horn River has taken the form of multi-well pads with as many as 16 horizontal wells and up to 28 completion stages in each horizontal well. Encana and Apache's part of the Horn River is producing close to 300 million cubic feet per day on a combined, gross, raw basis.

Slide 6: Our Strategy

Now, before moving on to talk about our Resource Play Hubs, I want to provide some context for why this form of resource play development is so important and how this fits into Encana's approach to value creation.

We believe that a six faceted approach to value creation will deliver strong results not only in the near term, but also well into the future.

Each of these six components are aligned with our corporate goal of unlocking the value that is not being recognized in our asset base.

As today's conference call focuses on the Horn River and the work we've been doing there to reduce costs, our presentation this morning centres on a detailed discussion of Resource Play Hubs – the third bullet here highlighted in orange – and how this framework, combined with careful sourcing and supply management initiatives, has been integral in helping to lower Encana's overall corporate supply costs.

Slide 7: Our Strategy; Advancing Resource Play Hub Design & Development

This slide shows a 3D cross section of a Resource Play Hub. It is what a typical pad in the Horn River would look like.

Designed for operational efficiency, cost reduction, and to reduce our environmental footprint, Resource Play Hubs are at the heart of Encana's goal to lower our supply costs to \$3 per thousand cubic feet equivalent over the next three to five years. Some of our plays are already there.

This development model starts with the "Resource Play" – or what we call highly concentrated resources within contiguous land tracts.

The underlying resources are developed using multiple long reach deviated or horizontal wells drilled from central pad sites. In the Horn River, we have natural gas in place of up to 230 billion cubic feet per section and up to 250 billion cubic feet per section in the Montney.

Repeatable operations lend themselves to ongoing optimization of equipment and processes using continuous improvement techniques. New fit-for-purpose equipment and processes further drive down unit costs.

The end product is the Resource Play Hub – highly efficient, low cost, low impact developments.

Slide 8: Encana Historical Supply Cost; Proven Track Record of Lowering Cost Structures

Corporately, we've reduced our supply cost – that is, the flat NYMEX price that yields an after tax rate of return of nine percent – by 25 percent since 2008.

Today, our corporate supply cost is approximately \$3.70 per thousand cubic feet equivalent, which includes about \$0.30 for general and administrative expenses. It's our goal to continue to reduce our supply costs to \$3.00 per thousand cubic feet equivalent over the next three to five years.

Slide 9: Forces Affecting Canadian Division's Inflation

Before turning the call over to Kevin Smith, who will talk about the Horn River, I wanted to discuss industry inflation briefly and the steps we've been undertaking in the Canadian Division and at Encana more broadly, to minimize our exposure to cost inflation.

There are a number of factors that are currently affecting inflation in our industry. The key elements that are pushing market inflation up are wages, steel and services.

Although Encana is primarily a natural gas company, fluctuations in oil prices have a significant impact on our costs. First is the direct cost of diesel to run equipment. Second is the demand for services, and margin expectations from service companies, particularly for completions services.

These inflationary pressures are expected to recede in the coming years as new equipment becomes available in the market.

At Encana, we have adopted a proactive approach to eliminating bottlenecks and mitigating the risks associated with inflation.

Slide 10: Encana's Supply Management Initiatives

A few of the initiatives we are undertaking include load leveling our operations, establishing long-term contracts with our service providers, direct sourcing of input commodities, and, as I mentioned earlier, focusing on Continuous Improvement in our operations.

Importantly, all of these initiatives center around the Encana Resource Play Hub, and Kevin will discuss this in more detail next.

Our ongoing efforts to offset inflation are paying off. While we are forecasting industry inflation in Canada in 2011 of about 7 – 9 percent, we expect Encana's realized inflation to be between 4 and 6 percent, with a bias toward the lower end of that range. Our continual focus on capital and operational efficiencies through our Resource Play Hub development model will help us to more than offset forecasted increases.

Slide 11: Leading North American Resource Play Company

I'll close my part of today's presentation with a few high level points that summarize why Encana is a leader among North American energy companies.

We are a leading resource play company with a large, diversified, and low cost asset base in many of the most prolific basins across North America. We are fiscally responsible, and we have the innovative, value-driven culture needed to thrive in this highly competitive industry. We are focused on pursuing long-term value creation for our shareholders.

Thank you. I'll now pass the call over to Kevin Smith.

Slide 12: Horn River

Kevin Smith, Vice-President Fort Nelson & Canadian New Ventures: Good morning, and thanks, Mike.

I'm Kevin Smith, Vice-President, Fort Nelson Business Unit and Canadian New Ventures. I'm very happy to have the opportunity to speak with you this morning about some of the exciting initiatives our teams have been undertaking in the Horn River.

Slide 13: What Makes Horn River a Great Play?

The primary focus of today's conference call will be to showcase all of the components of Encana's Horn River asset, and how each of these pieces work together to make this play a truly world class asset.

The Horn River has all the characteristics of a great play: it has a large, high-quality resource in place in which we apply Encana's Resource Play Hub strategy. It is well connected to natural gas infrastructure and is well-backed with a strong regulatory system and competitive government fiscal policy.

I'll start with an overview of the resource, then move on to our innovative development approach – the Resource Play Hub. I'll also discuss the favourable royalty regime and government support that we have in the Horn River and the asset's connectivity to market. Lastly, we'll review the investment returns we currently receive, and where we see returns going in the future.

Slide 14: What Makes Horn River a Great Play? Large, High-Quality Resource

First, the resource.

Slide 15: Horn River – A Large Resource

As Mike mentioned earlier, Encana first discovered the Horn River in 2003. Once we had a good understanding of the potential natural gas resource in place, we began quietly and inexpensively accumulating our land position.

With the advent of horizontal multi-stage completions technology, producers quickly moved to secure large-scale positions, and between 2006 and 2008 the vast majority of the acreage in this area basin was leased.

The Horn River basin covers over 2 million acres making it one of the most prolific gas plays in North America. Today, we have a significant land position here at 278,000 net acres or about 435 net sections of land.

This is a sizeable asset for Encana, with significant growth potential.

Slide 16: Horn River – A World Class Shale

The resource base of the Horn River is enormous, highly accessible, and will certainly play a key role in North American and even global gas supply in the years to come. We estimate a total basin resource size of approximately 500 Tcf of natural gas in place. On Encana lands natural gas in place ranges from 130 to 230 Bcf per section equating to a total of about 90 trillion cubic feet.

The Horn River shales are great rocks that are up to 180 meters thick with all of the attributes needed for productivity: permeability, porosity, organic content, brittleness and all in an over-pressured reservoir system.

As we optimize our drilling in the Horn River we see that results keep getting better and better. The wells are prolific and the economics work even in tough gas markets.

The Horn River also has the high initial production rates relative to other North American shale gas resource plays, and it also enjoys a generally lower decline rate, particularly in the first year of production. Importantly, this contributes to a very attractive EUR result. On average, we experience about 0.75 to 1.0 billion cubic feet equivalent of natural gas per interval on our Horn River wells.

Slide 17: What Makes the Horn River a Great Play? Resource Play Hub

Next, I'll discuss some of the exciting work our teams have been doing in the Horn River to advance our Resource Play Hub design.

Full scale implementation of this model not only means optimizing below ground operations, such as perfecting completions techniques or developing the optimal well spacing for the reservoir, it also means designing our above ground operations to function in the most cost effective and efficient manner possible.

Slide 18: Resource Play Hub – Horn River Style

At our 63-K pad pictured here, we've designed our Resource Play Hub to have all the elements for resource development contained within a very small surface area. Encana's 63-K pad is an example of a 14-well Horn River operation with concurrent drilling and completions operations all within the minimal footprint of the one pad.

Not only is this important from an environmental conservation perspective – this 16-acre surface area actually drains something close to six square miles of reservoir – but it helps us to optimize the location of all the equipment we need. Coiled tubing, completions equipment, wireline units, the drilling rig, and all of the other materials we need, such as a diesel, water, and sand supplies, are close at hand.

Encana deploys the same industry-leading Resource Play Hub strategy in Horn River as we do across our portfolio in plays like the Haynesville, Piceance, Montney and coming soon to the Duvernay.

Encana has created a culture of innovation within the corporation around the Resource Play Hub as it encourages teams to continuously improve the model and to not be satisfied with the status quo.

Well performance and costs have improved leaps and bounds and we've yet to find the limit of the resource hub exploitation strategy.

Slide 19: Encana Multi-Year Key Milestones; Where We've Been 2008 to 2011F

This map highlights Encana Horn River lands at our Two Island Lake area on the right and our farm-out with Korean Gas Corporation, or KOGAS, at Kiwigana in the lower left. As you can see there is still a considerable amount of acreage to develop over both properties.

There have been some key themes to developing the Horn River over the past four years.

In 2008, our program focused on assessing the potential. The b-C-76-K 10 stage well with no major offsetting wells was critical since its success led us to test reservoir deliverability.

In 2009, we completed a four-well down spacing pilot with 14 stages per well and achieved results that demonstrated commerciality.

In 2010, we concentrated on execution excellence, further extending the lateral length of our wells up to 10,000 feet and the number of completions stages to over 20.

This year has been about understanding our per interval spacing as well as continued cost reduction efforts. 2011 has seen the first pad drilled in the Kiwigana property with the next two pads expected to be drilled by the end of 2012. Completions will be starting on the first pad in Kiwigana later this month.

We've been very happy with our partnership with KOGAS and earlier this year we expanded our partnership with the farm-out of an additional 31 gross sections.

For 2012 forward, the Horn River play is well-positioned with key infrastructure in place and a solid understanding of the reservoir to remain flexible in times of fluctuating natural gas prices.

Slide 20: The Evolution of the Horn River Resource Play Hub

The Horn River Resource Play Hub design has changed and continues to evolve as we learn more about this huge reservoir and how we can best tap into its potential and optimize the gas recovery per well.

What you see here is an example of how we are working to understand how to best stimulate a reservoir by optimizing inter-well spacing and inter-stage completions spacing. This shows how we are increasing our frac spacing from eight to 14 to 30 acres, which will further reduce our supply cost.

We are working to optimize our well spacing in order to generate the best returns while developing the most resource from a single pad location.

Slide 21: Encana Horn River Results Comparison

Encana has been increasing its lateral well lengths and number of completions stages over time and has seen corresponding increases in production with these wells. We've increased the number of stages from three in 2007 to as many as 30 this year with demonstrated improvement in production rates and in well recoveries.

In September we began bringing on our latest pad, the 1-D pad, where early results have initial production rates in excess of our benchmark 63-K pad. With larger per interval spacing on 1-D, we are expecting to see a higher recovery per stage than on 63-K. The star shown on this production chart represents the first two weeks or so of production from the 1-D pad.

Slide 22: Horn River Supply Costs; Increased Efficiencies, Lower Supply Costs

This is an example of what the Horn River team has achieved as we have been implementing our resource play strategy.

This slide shows the supply cost improving over time with the percentage of the supply cost attributed to well capital and operating expenses decreasing from 66 percent in 2009 to just 60 percent in 2010 with a forward looking target of driving these costs down to only 54 percent of our supply cost.

Most of these improvements to date have come from a combination lowering costs and improving well performance. The main drivers have been increasing the number of intervals in our longer laterals, becoming more efficient in our completions, and self sourcing many of our consumables.

In conjunction with our lower costs, more reserve access per pad and improved production performance have also meant lower supply costs.

The same way we optimized our fit-for-purpose drilling equipment over the past decade, we are now exploring opportunities with our existing completions service providers to work together and redesign how our completions programs are executed with using new technology such as natural gas driven completions pumps.

Initiatives like the Cabin gas plant, increased competition in the mid-stream space and the Kitimat LNG terminal will help us reduce our costs in the orange space above. This potential decrease has not been captured in the target supply cost presented here of \$3.50 to \$3.75 per thousand cubic feet.

Slide 23: Debolt Water – Creating Efficiencies

Our ability to source water cheaply is key to cost-efficient development of the Horn River resource.

Surface water was initially used to prove the feasibility of the play but this water source is not sufficiently available at Two Island Lake to meet our demands from either a rate or volume perspective. Sourced from a high-permeability, carbonate formation at about 800 metres depth, Debolt water has proved to be a viable non-potable water source for our Horn River operations. We've designed a closed system that processes 16,000 cubic metres per day, giving us enough water now to execute up to three to four completions per day.

The Debolt water has been a win-win for the Horn River as it lowers the fresh water usage while also increasing efficiencies in our completions operations.

Over the three pads completed this year, about 95 percent of the completions fluid was sourced.

Slide 24: Horn River Next Phase Technology; Continuous Improvement

Continuous improvement is a fundamental mindset in our operations. There have been some exciting new technologies employed in the Horn River by Encana this past year which have been working to reduce our operational footprint and to create efficiencies to further drive our supply costs down.

For example, at Kiwigana we will use a buried surface array to collect micro-seismic data over the entire completion operation. This data will allow us to optimize future completion designs.

A second example is our adoption of the use of soil stabilizers to replace wooden mats on drilling pads. The soil stabilizer technology provides a hard, durable surface that will last five to 10 years and will improve safety. Reclamation is simple and inexpensive.

A third example is Encana's newly constructed sand tent at Kiwigana. The sand tent holds up to 25,000 tonnes of sand, and its primary use is as a buffer to ensure we always have adequate, low-cost sand supply for completions operations. If we have a disruption in the supply of any consumable, we incur nonproductive time, or NPT, where we pay for equipment services that are not being fully utilized.

Additionally, we're implementing the use of bi-fuel completions equipment. After using natural gas fuelled drilling rigs in the Horn River over the past two to three years, Encana has successfully piloted the use of a bi-fuel system on our completions fleet. The equipment runs on natural gas instead of diesel to power our completions operations. It is projected to reduce our diesel costs by up to 60 percent.

Encana is also proceeding ahead with further fit for purpose completions initiatives that, along with reducing our diesel consumption, are expected to reduce our overall environmental footprint and improve maintenance costs.

Slide 25: What Makes the Horn River a Great Play? Government Support

Government support and a competitive fiscal regime is important with a resource that has this much potential, but is distant from end markets.

Slide 26: Incenting Industry to Pursue Shale Gas

The Province of British Columbia has designed a fiscal regime that is responsive to market changes.

The Net Profit Royalty program helps to establish commerciality and competitiveness of the Horn River Basin by recognizing that the asset is a long way from markets. We have a highly competitive royalty structure at Two Island Lake area of two percent until project payout inside the ring fence, or ten years, whichever is sooner.

Additionally, the Infrastructure Credit Program encourages development in new or remote areas. In early years of development, it is critical for a play, like the Horn River, to have the benefit of a program such as this that recognizes the significant upfront infrastructure cost.

The Deep Royalty Credit is a targeted program that provides up-front royalty relief to incent drilling activities in plays like the Horn River where deep long-reach, multi-stage horizontal wells are the norm. And more recently, it's encouraging that the BC government has been vocal in its support of a future LNG industry for the province.

Slide 27: Competitive Royalty and Tax Regime

Compared to other North American shale plays, the Horn River is very competitive on the royalty and taxation front.

On average, royalties are about 5 percent lower than many of the largest U.S. shale plays, including the Haynesville, Marcellus, Fayetteville, Barnett, Woodford, and the Eagle Ford.

We also have lower taxes than these other plays, on average about 20 percent lower. Advantaged royalty and tax terms provide an offset that approximates forecasted AECO to Henry Hub differentials. When combined with the long mineral tenure that we have on our Horn River land, this fiscal and regulatory regime allows for a logical and methodical development of this play.

Slide 28: What makes the Horn River a Great Play? Market Connectivity

Market connectivity is important, too, and despite its remote location, the Horn River does have options.

Slide 29: Horn River – Market Connectivity

The Horn River is well connected to infrastructure and has the option to deliver to multiple markets.

In addition to the traditional markets in Canada and the U.S., the potential exists for the Horn River to access some of the key growth demand centers such as Alberta oil sands and the future west coast LNG export terminals.

Encana recently purchased a 30 percent working interest in the proposed Kitimat LNG facility, and Dave Thorn, who is speaking next, will provide an update on Encana's involvement.

Slide 30: What makes the Horn River a Great Play? Strong Investment Returns

Before turning the presentation over to Dave, I'll spend just a brief moment reviewing the strong investment returns we're seeing in the Horn River today, and what we expect in the future.

Slide 31: Horn River – Economics and Growth Potential

As I mentioned earlier, our target supply cost for the Horn River falls in the \$3.50 to \$3.75 per thousand cubic feet.

The left graph shows the target Horn River supply cost versus forward strip prices as of last month. Even at current break-even prices, there will be a sufficient margin to incent producers to develop this vast resource.

The right hand side shows the CERA basin production forecast that has the Horn River reaching 2 billion cubic feet per day by 2015 and 5 billion cubic feet per day by 2020. In the right price environment this is very achievable. The star represents approximate current production in the basin at about 375 to 425 million cubic feet per day.

The Horn River is a world class natural gas shale basin that Encana believes will play an important role in meeting North American and Asian energy markets' demand requirements.

Within the Encana portfolio, the Horn River represents significant growth potential, not only because of the enormous resource potential, but also because of the remarkable advancements we've been able to achieve in terms of operating efficiency and cost reductions, advancements that are shared across the entire Encana asset portfolio.

The Horn River play is very much in its infancy, and we believe we are very well positioned to grow with a strengthening price environment.

With that, I'll pass the presentation on to Dave Thorn.

Slide 32: Canada Midstream & Marketing

Dave Thorn, Vice-President, Canadian Marketing: Thanks, Kevin, and good morning.

I'm Dave Thorn, Vice-President, Canadian Marketing.

This morning, I am going to discuss our Kitimat project and the Pacific Trail Pipelines, as well as an overview of natural gas demand in the Asian marketplace today and out to 2020.

Slide 33: Kitimat LNG Project – Encana 30% Interest; Diversifying Markets – Building Demand

Encana holds a 30 percent working interest in the proposed Kitimat LNG facility, located in Bish Cove, British Columbia, about 650 kilometres north of Vancouver.

Our partners in this facility are EOG, who also has a 30 percent working interest, and Apache, who has a 40 percent working interest and is operator.

This facility has a proposed export capacity of 1.4 billion cubic feet per day, comprised of two 700 million cubic feet per day phases.

The Front End Engineering and Design or FEED study is being completed this year, following which final investment decision will be made, and we expect to ramp up construction in 2012.

Slide 34: Infrastructure from Horn River Basin to Pacific Trail Pipelines

For Encana, one of the benefits that we see this project as providing is an opportunity to convert a portion of our natural gas production to crude-oil linked pricing.

The Kitimat project may be sourced from any of our British Columbia or Alberta natural gas resource plays, and we expect it to contribute to an overall increase in natural gas prices to a more sustainable level.

Natural gas supplied to the Kitimat project will be transported on either the Spectra or TCPL systems, or both, to station 4A, the interconnect to the Pacific Trail Pipelines.

Slide 35: Pacific Trail Pipelines Overview

Expanding partially within an existing right-of-way, the Pacific Trail Pipelines is expected to be 465 kilometres in length.

The new pipe will be a 36 inch high pressure line designed to move 1.4 billion cubic feet per day of natural gas.

Compression requirements will be a function of the capacity of the Kitimat facility. More compression would be required to service the second train that would take the facility from 700 million cubic feet per day of capacity to 1.4 billion cubic feet per day. An additional 15 kilometre spur will be required to move the gas from the Pacific Trail Pipeline to the Kitimat facility.

We expect the pipeline to be in service in 2015 commensurate with the start-up of the Kitimat LNG facility.

Slide 36: Kitimat LNG Market; Diversifying Markets – Building Demand

Kitimat is well situated for shipping gas to Asian markets. And we are not alone in seeing the potential benefits of exporting natural gas from North America. Already, there have been several other LNG project proposals announced by other industry participants.

However, before we proceed with the project we need to get more clarity on the overall project economics. The two key components are greater revenue and cost certainty.

Slide 37: Kitimat LNG Design Features

Kellogg Brown and Root or KBR are working on the Front End Engineering Design or FEED study cost estimate. KBR has significant LNG experience worldwide. KBR construction accounts for over 85 million tons per annum of worldwide liquefaction capacity, often in challenging locations with reliable and consistent performance.

The Kitimat project is based on KBR's experience with the SEGAS (Spanish Egyptian Gas Company) LNG facility in Egypt located within a compact plot size and operating on sales quality gas.

It will include electric motor driven refrigerant compressors with power supplied from the local grid.

Kitimat has an Environmental Impact Certificate in place. We recently completed the National Energy Board hearings for the project's export license – a total of 1.4 billion cubic feet per day over a 20 year period. The process went very well, and a final ruling is expected later this month. The first exports are expected to be in late 2015.

Slide 38: Marketing Status

On the revenue front...

Led by Apache, we are participating in the negotiation of potential off-take agreements. The discussions are based on the volumes associated with a two train facility. As with current contracts in this region, we expect there to be a linkage with the Japanese Custom Cleared or JCC crude pricing.

There has been very strong interest to date. The expressions of interest range from simply LNG supply to existing or planned re-gasification facilities through to participation all along the value chain including shipping, equity interest in the Kitimat facility as well as upstream participation.

We expect to have contracts for a significant portion of the Kitimat capacity in place to support final investment decision.

Slide 39: Total Asian Natural Gas Demand

The demand for natural gas is expected to be very strong through to 2020. Countries are seeking to both meet their forecast growth as well as to diversify their sources of supply. The highest growth regions are expected to be India and China.

Japan is still expected to be a significant market, and depending upon their decision regarding nuclear capacity, could provide additional upside in terms of market growth. And there are a number of other Asian based countries that we anticipate will have growing demand.

Slide 40: China Potential

China represents the largest potential source of demand growth for natural gas, which will be supported in part by LNG imports.

The base case scenario projects Chinese demand for natural gas will increase from approximately 10 billion cubic feet per day in 2010 to about 35 billion cubic feet per day by 2020. This assumes that natural gas represents about 8 percent of the countries total primary energy demand.

If the government plans to change natural gases share of primary energy demand by 2020 to 10 percent it would need to add an additional 15 billion cubic feet per day of supply to meet that requirement.

Slide 41: Asia Natural Gas Supply and Demand

There is a gap between supply sources and contracted LNG in Asia. Additional LNG import contract requirements are expected to climb from less than one billion cubic feet per day in 2010 to about 24 billion cubic feet per day in 2020. The potential demand increase could require an additional 15 billion cubic feet per day of LNG imports by 2020.

The additional potential demand shown by the light blue line - approximately 15 billion cubic feet per day - is the difference between natural gas in China reaching approximately 8 percent of primary energy demand to its new target of 10 percent by 2020.

Slide 42: Kitimat LNG

So in summary, the next steps for the Kitimat project include:

Phase 1 early site work includes site preparation and geotechnical data gathering. This work has already begun. In addition, the project has received approval to proceed with site preparation, and work is being completed to finalize decisions related to the material off-loading facility, roads, power line, camps and catering.

The project group has also acquired an industrial site close to Kitimat that will initially be used for logistics purposes.

We expect the FEED study to be completed by year end. And we expect to be in a position to make a Final Investment Decision in the first quarter of next year.

The project is moving forward and we are excited about the market demand for LNG. North America is well positioned to participate in that growth.

Thank you for listening to my presentation this morning. I'd like to return the call back to Ryder McRitchie now.

Slide 43: Horn River Video

Ryder McRitchie, Vice-President, Investor Relations: This concludes the formal part of our presentation.

As a reminder, a video showcasing Encana's operations in the Horn River is now available online. The website address is stated on the slide above and in our news release.

Thank you for participating in our conference call today. We'll now open the lines for questions.

Future Oriented Information: 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 presentation 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 presentation include, but are not limited to: estimated 2011 production, including per key resource play; expectation to increase natural gas liquids and oil production in the next few years; expected average production per day at Horn River; expected reduction in supply cost in 3-5 years; Encana's expected realized inflation rate; estimated natural gas in place at Horn River play and in the entire basin; estimated average recovery on Horn River wells; expected margins at various forward strip prices for Horn River; forecast production for the Horn River basin up to 2020; proposed export capacity and service in date of Kitimat LNG facility; expected contracts with buyers for the Kitimat LNG facility and the timing thereof; and forecast LNG demand of Asia and China from 2011 and beyond.

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: the risk that the company may not conclude potential joint venture arrangements with others; risk that the company may not successfully divest particular assets and within the expected date; volatility of and assumptions regarding commodity 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 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; non-completion of Kitimat LNG project; risk that target supply cost for 2011 and in the next few years will not be met; 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. Forward-looking statements with respect to anticipated production, reserves and production growth, including over five years or longer, are based upon numerous facts and assumptions, including a projected capital program averaging approximately \$6 billion per year, that underlies the long-range plan of Encana which is subject to review annually and to such revisions for factors including the outlook for natural gas commodity prices and the expectations for capital investment by the company achieving an average rate of approximately 2,500 net wells per year, Encana's current net drilling location inventory, natural gas price expectations over the next few years, production expectations

made in light of advancements in horizontal drilling, multi-stage fracture stimulation and multi-well pad drilling, the current and expected productive characteristics of various existing and emerging resource plays, Encana's estimates of proved, probable and possible reserves and economic contingent resources, expectations for rates of return which may be available at various prices for natural gas and current and expected cost trends. 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 presentation.

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

Advisory Regarding Reserves Data & Other Oil & Gas Information Disclosure Protocols: National Instrument (NI) 51-101 of the Canadian Securities Administrators imposes oil and gas disclosure standards for Canadian public companies engaged in oil and gas activities. In previous years, Encana relied upon an exemption from Canadian securities regulatory authorities to permit it to provide disclosure relating to reserves and other oil and gas information in accordance with U.S. disclosure requirements. As a result of the expiry of that exemption, Encana is providing disclosure which complies with the annual disclosure requirements of NI 51-101 in its Annual Information Form dated February 17, 2011 (AIF). The Canadian protocol disclosure is contained in Appendix A and under "Narrative Description of the Business" in the AIF. Encana has obtained an exemption dated January 4, 2011 from certain requirements of NI 51-101 to permit it to provide certain disclosure prepared in accordance with U.S. disclosure requirements, in addition to the Canadian protocol disclosure. That disclosure is primarily set forth in Appendix D of the AIF. A description of the primary differences between the disclosure requirements under the Canadian standards and the disclosure requirements under the U.S. standards is set forth under the heading "Reserve Quantities and Other Oil and Gas Information" in the AIF.

The estimates of economic contingent resources contained in this presentation are based on definitions contained in the Canadian Oil and Gas Evaluation Handbook. Contingent resources do not constitute, and should not be confused with, reserves. Contingent resources are defined as those quantities of petroleum estimated, on a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Economic contingent resources are those contingent resources that are currently economically recoverable. In examining economic viability, the same fiscal conditions have been applied as in the estimation of reserves. There is a range of uncertainty of estimated recoverable volumes. A low estimate is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate, which under probabilistic methodology reflects a 90% confidence level. A best estimate is considered to be a realistic estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate, which under probabilistic methodology reflects a 50% confidence level. A high estimate is considered to be an optimistic estimate. It is unlikely that the actual remaining quantities recovered will exceed the high estimate, which under probabilistic methodology reflects a 10% confidence level. There is no certainty that it will be commercially viable to produce any portion of the volumes currently classified as economic

contingent resources. The primary contingencies which currently prevent the classification of Encana's disclosed economic contingent resources as reserves are the lack of a reasonable expectation that all internal and external approvals will be forthcoming and the lack of a documented intent to develop the resources within a reasonable time frame. Other commercial considerations that may preclude the classification of contingent resources as reserves include factors such as legal, environmental, political and regulatory matters or a lack of markets.

The estimates of various classes of reserves (proved, probable, possible) and of contingent resources (low, best, high) in this presentation represent arithmetic sums of multiple estimates of such classes for different properties, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of reserves and contingent resources and appreciate the differing probabilities of recovery associated with each class.

In this presentation, 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). 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.

Encana uses the terms resource play, total petroleum initially-in-place, natural gas-in-place, and crude oil-in-place. Resource play is a term used by Encana to describe an accumulation of hydrocarbons known to exist over a large areal expanse and/or thick vertical section, which when compared to a conventional play, typically has a lower geological and/or commercial development risk and lower average decline rate. Total petroleum initially-in-place ("PIIP") is defined by the Society of Petroleum Engineers - Petroleum Resources Management System ("SPE-PRMS") as that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources"). Natural gas-in-place ("NGIP") and crude oil-in-place ("COIP") are defined in the same manner, with the substitution of "natural gas" and "crude oil" where appropriate for the word "petroleum".

In this presentation, Encana has provided information with respect to certain of its Key Resource Plays and emerging opportunities which is "analogous information" as defined in NI 51-101. This analogous information includes estimates of PIIP, NGIP or COIP, all as defined in the Canadian Oil & Gas Evaluation Handbook ("COGEH") or by the SPE-PRMS, and/or production type curves. This analogous information is presented on a basin, sub-basin or area basis utilizing data derived from Encana's internal sources, as well as from a variety of publicly available information sources which are predominantly independent in nature. Some of this data may not have been prepared by qualified reserves evaluators or auditors and the preparation of any estimates may not be in strict accordance with COGEH. Regardless, estimates by engineering and geo-technical practitioners may vary and the differences may be significant. Encana believes that the provision of this analogous information is relevant to Encana's oil and gas activities, given its acreage position and operations (either ongoing or planned) in the areas in question.

For convenience, references in this presentation to "Encana", the "Company", "we", "us" and "our" may, where applicable, refer only to or include any relevant direct and indirect subsidiary corporations and partnerships ("Subsidiaries") of Encana Corporation, and the assets, activities and initiatives of such Subsidiaries.