ENCANA CORPORATION

MONTNEY INVESTOR DAY
NEW YORK CITY
MAY 17, 2016

Doug Suttles
President & Chief Executive Officer

ENCANA IN 2016
Well Positioned for Success

TOP TIER RESOURCE
- 95% of 2016F capital allocated to core four
- 2016 program focused on core acreage in each asset

OPERATIONAL EXCELLENCE
- Significant D&C cost efficiencies
- Rapid application of innovations across portfolio
- RPH* model unlocks value

MARKET FUNDAMENTALS
- Maximizing realized prices
- Informs capital allocation
- Actively managing volatility

BALANCE SHEET STRENGTH

CAPITAL ALLOCATION
- Driven from the top
- Significant flexibility to scale capital based on commodity prices

*Resource Play Hub: Encana’s development model using repeatable, transferable operations techniques to reduce costs and improve safety and environmental performance.
ENCANA
Multi-Basin Portfolio Advantage

• “Core of the core” positions in four of North America’s top basins
  – Over 16,000 high quality locations
• Operational excellence
  – Rapid application of innovations across the portfolio
  – Significant D&C cost efficiencies
    • 22 - 44% improvement in Q1 2016
• Focused portfolio with significant financial flexibility
  – 95% of 2016 capex invested into core four assets

ENCANA CORPORATION

EXECUTION EXCELLENCE

Michael McAllister
EVP & COO
ENCANA’S EXECUTION EXCELLENCE
Basin Leading Operator

INNOVATION
CONTINUOUS IMPROVEMENT
PORTFOLIO ADVANTAGE
DISCIPLINED BENCHMARKING TO COMPETITORS

INNOVATION AT A GLANCE
Driving Efficiency Across the Portfolio
ENCANA MONTNEY Development History

Prior to 2003
- Conventional vertical development

2006
- First HZ well drilled

2007 - 2008
- Land capture in Pipestone
- HZ development in Gordondale

2009 - 2011
- HZ development of BC Montney

2012
- Cutbank Ridge Partnership (CRP) joint venture with Mitsubishi

2013 - 2016
- Focus on condensate rich areas
- Completions design optimization
- Veresen KKR infrastructure deal

ENCANA IS THE MONTNEY LEADER Combined Scale and Efficiency

- Largest producer in the Montney
- Drilling cost leader
  - Over a decade of operations in the play
  - Longest laterals with highest completion intensity
- Massive wells
  - Wells up to 2.5 MMBoe, IP >2,500 BOE/d
  - Condensate rich wells flowing >400 bbls/d
NORTH AMERICAN NATURAL GAS FUNDAMENTALS
Demand Expected to Grow by 14 Bcf/d by 2020

Source: Encana Fundamentals, EIA, Ventyx, IHS
NORTH AMERICAN NATURAL GAS FUNDAMENTALS

Future Demand Growth will be Concentrated in the Gulf Coast

Source: Encana Fundamentals

NORTH AMERICAN NATURAL GAS FUNDAMENTALS

Low-Cost Supply Basins Continue to Grow

Montney expected to grow to ~7% of North American natural gas production by 2020

Source: Encana Fundamentals, IHS
NORTH AMERICAN NATURAL GAS FUNDAMENTALS
Montney - Highly Competitive Break-even Cost

Break-even ($/MMBtu)

<table>
<thead>
<tr>
<th>$2.00</th>
<th>$2.50</th>
<th>$3.00</th>
<th>$3.50</th>
<th>$4.00</th>
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<td>Arkoma</td>
<td>Fayetteville</td>
<td>Piceance</td>
<td>Utica</td>
<td>Haynesville</td>
<td>Marcellus</td>
<td>Deep Basin</td>
<td>Montney</td>
<td></td>
<td></td>
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</tbody>
</table>

2012 2013 2014 2015 Current

Source: RS Energy Group, Inc. – “Hardcore Canada” May 2016

NORTH AMERICAN NATURAL GAS FUNDAMENTALS
Activity Maintained in Lowest Cost Basins

Montney represents ~21% 2016F North American gas rig count, while Northeast represents ~24%

Rigs

900

Activity remains strong in low-cost basins

Rig activity declining in high cost plays

Source: Encana Fundamentals, Baker Hughes (U.S. rigs), IHS (Canadian rigs)
WESTERN CANADIAN MARKET FUNDAMENTALS
Natural Gas Export Basin – Premium Condensate Market

- 15 Bcf/d gas production
- 5 Bcf/d regional demand
- 500 Bcf working storage
- 11.7 Bcf gas export capacity
- 220 Mbbls/d condensate production
- 400 Mbbls/d condensate demand

WESTERN CANADIAN NATURAL GAS FUNDAMENTALS
Montney is the Growth Engine for WCSB

- Montney expected to grow to 7 Bcf/d in 2020, representing 38% of WCSB production
- Montney expected to lead WCSB growth back toward 2006 historical peak
WESTERN CANADIAN NATURAL GAS FUNDAMENTALS

Local Demand Growth Driven by Oil Sands

- >1 Bcf/d of growth from oil sands & power sector expected through 2020
- Strong historical local demand growth has reduced reliance on total takeaway capacity
- Demand growth plus base declines add ~1.8 Bcf of incremental market

WESTERN CANADIAN NATURAL GAS FUNDAMENTALS

Required Exports and Currently Available Capacity

- Substantial existing physical export capacity
  - Exceeds required exports by >1.5 Bcf/d
- Montney does not require any new transport capacity to grow
WESTERN CANADIAN NATURAL GAS FUNDAMENTALS

What is AECO?

- AECO is benchmark price for volumes traded on Nova Gas Transmission system (NGTL)
- Equivalent to NYMEX at Henry Hub
- Largest and most liquid gas trading hub in North America
- AECO Basis is price difference versus NYMEX
- Basis set by marginal cost of transportation to neighboring markets
- Financial derivative market as liquid as any in North America

Source: Encana Fundamentals *Net Effective Capacity (Bakken Access)
**AECO BASIS**
Forward Market Trends Toward Historical Levels

- AECO basis has historically averaged $(0.50)
- Basis has recovered rapidly when it has widened before
- The market sees a directional return toward historical levels

**MONTNEY ACCESS TO NORTH AMERICAN MARKETS**
Efficient Access to Market

- NGTL: ~11 Bcf/d of supply, >15,000 miles of pipeline, and thousands of receipt & delivery points
- Required expansions are inexpensive, timely, and provide system-wide access
- Approach is efficient and different than single system connection seen in US production areas
- Minimal regulatory impediments
- Alliance and Westcoast offer additional flexibility
**MONTNEY ACCESS TO NORTH AMERICAN MARKETS**

Existing WCSB Export Infrastructure Allows for Growth

- **WCSB Required Exports**
- **Current Physical WCSB Export Capacity**

**Source:** Encana Fundamentals

The graph shows the projected WCSB Required Exports and the Current Physical WCSB Export Capacity from 2015 to 2020. The WCSB Required Exports are calculated as Expected Supply minus Expected Demand.

**MONTNEY ACCESS TO NORTH AMERICAN MARKETS**

WCSB Transportation – Cost Advantage to Northeast Market

- Montney continues to compete in Western markets, capturing demand growth and offsetting declines in the region.
- Northeast U.S. production will continue to capture South and Southeastern demand via existing pipelines and shorter greenfield connectivity.

**Source:** Encana Fundamentals, Various Pipeline Websites
FUNDAMENTALS
The Montney Competes on a Delivered Cost Basis

• Montney growth is required to balance increasing North American demand
  – Highly competitive supply cost
  – Advantaged into Western and Eastern (Dawn) markets
• Existing export pipeline capacity allows for competitive access to markets
  – Minimal regulatory risk
  – WCSB production should naturally meet western demand growth
  – With a declining rate base and increased contracting, TCPL tolls will be competitive in Eastern markets

ENCANA CORPORATION

RESOURCE IN CONTEXT

David Hill
EVP Exploration & Business Development

Blair Porter
Advisor, Engineering – Exploration & Business Development
MONTNEY – MOST ACTIVE GAS PLAY
Q1 2016 Average Rig Activity

Rig activity concentrated in lowest cost basins

<table>
<thead>
<tr>
<th>Play</th>
<th>1Q16 Rig Activity</th>
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</thead>
<tbody>
<tr>
<td>Montney</td>
<td>54</td>
</tr>
<tr>
<td>Marcellus/Utica</td>
<td>46</td>
</tr>
<tr>
<td>Rockies</td>
<td>33</td>
</tr>
<tr>
<td>Haynesville</td>
<td>17</td>
</tr>
</tbody>
</table>

Sources: IHS, DrillingInfo, Nickles, EIA
“Active Rigs” data as of March 2016

MONTNEY GEOLOGY OVERVIEW
Depositional Environment

- Siltstone reservoir
  - Not a shale
- High quality condensate & gas regions
  - Robust performance across all fluid windows
- Multiple stacked zones
  - Deposited in thick, stacked layers
MONTNEY REGIONAL SCALE
Areal Extent Same as Marcellus

- Size and scale of Montney same as Marcellus
- Montney condensate window larger and richer

ENCANA’S MONTNEY ACREAGE
Massive Contiguous Land Position
MONTNEY RESOURCE POTENTIAL
Stacked Zones Comparable to the Permian

Montney (350 miles)
Upper Montney to Base Sexsmith

Permian Midland Basin (100 miles)
Middle Spraberry to Base Wolfcamp C

MONTNEY PLAY
Three Distinct Regions

- **Northwest**
  940 Hz wells drilled; 265 in 2015
  - Narrow region of high performance

- **Central**
  2,100 Hz wells drilled; 260 in 2015
  - Highest quality pay
  - Prolific condensate window
  - Thickest stacked reservoirs

- **Southeast**
  450 Hz wells drilled; 130 in 2015
  - High quality condensate
  - Minimal activity in gas window
MONTNEY REGIONAL SCALE
Encana’s Acreage is in the Core of the Basin

CROSS-SECTION OF THE MONTNEY
Stacking Adds Scale

Montney Regional Section: Hydrocarbon Filled Porosity
WORLD CLASS GAS PLAY
Best Rocks Drive Performance

Average Gas Well Performance by Region
(Wells Since 2014)

Average Gas Well Performance by Region
(Wells Since 2014)

CORE POSITION IN A WORLD CLASS GAS PLAY
Operational Excellence Driving Basin Leading Performance

Source: IHS, Encana data
MONTNEY COMPETES WITH CORE MARCELLUS
Encana Innovation Driving Productivity

Average Well Performance
Marcellus vs. Encana Montney

Cumulative Gas Production (Bcf)
(Normalized to 8,200’)

Gas Rate (MMcf/d)
(Normalized to 8,200’)

Source: IHS, Encana data

SIGNIFICANT CONDENSATE OPPORTUNITY
Encana Delivering Strong Condensate Wells

Montney 30 Day Peak Condensate Rates by Region

Source: IHS (data limited to wells with substantial liquids volumes reported in condensate areas)

Encana Recent Condensate Well Results

- Pipestone (Super-Condensate area >100 bbls/MMcfd)
  - 1,650 bbls/d of condensate & 2.6 MMcfd (~2,080 BOE/d)

- Tower (Condensate area 10 - 100 bbls/MMcfd)
  - 370 bbls/d of condensate & 5.5 MMcfd (~1,320 BOE/d)

- Dawson South (Condensate area 10 – 100 bbls/MMcfd)
  - 500 bbls/d of condensate & 8.4 MMcfd (~1,900 BOE/d)
STACKED RESOURCE POTENTIAL
10,000 Inventory Locations

<table>
<thead>
<tr>
<th></th>
<th>Gross Acres</th>
<th>Spacing</th>
<th>Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Rich Condensate</td>
<td>82,000</td>
<td>440'</td>
<td>3,000</td>
</tr>
<tr>
<td>Condensate</td>
<td>125,000</td>
<td>660'</td>
<td>3,600</td>
</tr>
<tr>
<td>Gas</td>
<td>185,000</td>
<td>880'</td>
<td>3,400</td>
</tr>
<tr>
<td><strong>Total Inventory</strong></td>
<td><strong>10,000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8,200' Well Length

ENCANA CORPORATION

Development Plans

Jim Roberts
Vice-President & General Manager, Northern Operations
ENCANA IN THE MONTNEY
A Premier North American Play

- Large resource poised for significant growth
  - 525,000 net acres in 3 contiguous core blocks
  - Over 1,000’ of pay, up to 6 stacked horizons
  - Up to 220 Bcf/section with up to 450 bbls/MMcf condensate
  - 10,000 gross well inventory

- Basin leading operator
  - Most efficient operator with track record of innovation
    - Cost reductions of 22% 2016 Q1 vs. 2015
    - Longest laterals with highest completion intensity
    - Generates superior economic performance

- Flexible infrastructure plan
  - Innovative midstream arrangement
  - 800 MMcf/d of expansion under construction
  - Growing net production to over 75,000 bbls/d and 1.8 Bcf/d by 2026

ENCANA IN THE MONTNEY
History of Well Design Innovation

2006
- 4,200 ft lateral
- 300 lb/ft proppant
- 3.5 bbls/ft fluid
- 900 ft cluster spacing
- 900 ft stage spacing

2007 - 2012
- 4,200 - 7,800 ft lateral
- 300 - 1,000 lb/ft proppant
- 6 bbls/ft fluid
- 165 ft cluster spacing
- 660 ft stage spacing

2013 - 2015
- 7,200 - 9,000 ft lateral
- 650 - 1,800 lb/ft proppant
- 12 - 23 bbls/ft fluid
- 80 ft cluster spacing
- 410 ft stage spacing

Present Day Design
- 8,200 - 9,000 ft lateral
- 1,000 - 1,200 lb/ft proppant
- 15 - 18 bbls/ft fluid
- 65 - 80 ft cluster spacing
- 330 - 410 ft stage spacing
**ENCANA IN THE MONTNEY**

**Drilling & Completions**

*All data normalized to $0.75 FX*

#### 2006 – 2016

**Lateral Length**
Increased ~2X

**Proppant Loading**
Increased ~4X

**Drilling and Completion Cost** *
Decreased 50%

#### 2006 – 2016

**IP30**
Increased ~5X

**EUR**
Increased ~8X

**F&D**
Reduced ~6X

*All data normalized to $0.75 FX*
ENCANA IN THE MONTNEY
Resource Play Hub at Work

• **Water Resource Hub: Centralized Water Handling Facility**
  - Capacity of 50,000 bbls/d, recycling and saline, non-potable source wells
  - Made possible by concentrated, continuous activity and growth plan
  - Environmentally sustainable: reduces demand on domestic water supplies
  - Offers certainty for completions execution
  - Reduces impact on stakeholders: traffic, dust, noise

• **>$32 MM in savings to date**
  - ~40,000 less truck loads
  - ~$5.85/bbl operating cost savings
  - ~$300K/well capital cost savings

• **Project ROR ~30%**

CONDENSATE (10-100 bbls/MMcf)
Tower

Type Curve
IP180 Condensate = 370 bbls/d
IP180 Gas = 5.4 MMcf/d
EUR = 1.2 MMBOE
D&C = $4.4 MM
Lateral Length = 8,000 ft

After 5 months 36% higher than type curve

All metrics based on $3.0/MMBtu NYMEX, $50/bbl WTI, and $0.75 FX
**CONDENSATE (10-100 bbls/MMcf)**

**Saturn**

Type Curve
- IP180 Condensate = 350 bbls/d
- IP180 Gas = 7.1 MMcf/d
- EUR = 1.3 MMBOE
- D&C = 54.3 MM
- Lateral Length = 8,200 ft

Rate restricted due to facility limitations

After 8 months 70% higher than type curve

**Type Well Metrics – ECA Net**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Leveraged</th>
<th>Unleveraged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Btax IRR (%)</td>
<td>&gt;200</td>
<td>100</td>
</tr>
<tr>
<td>Btax Payout (Months)</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Operating Margin ($/BOE)</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>2 Year Free Cash Flow ($MM)</td>
<td>3.1</td>
<td>1.6</td>
</tr>
</tbody>
</table>

All metrics based on $3.0/MMBtu NYMEX, $50/bbl WTI, and $0.75 FX

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**CONDENSATE (10-100 bbls/MMcf)**

**Dawson South**

New E4-17 Lower Montney IP
- 23% condensate
- 67% above type curve

New B11-17 Lower Montney IP
- 9% condensate
- 46% above type curve

Lower Montney Type Curve
- IP180 Condensate = 350 bbls/d
- IP180 Gas = 7.1 MMcf/d
- EUR = 2.1 MMBOE
- D&C = 55.2 MM
- Lateral Length = 9,800 ft

**Lower Montney Type Well Metrics – ECA Net**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Leveraged</th>
<th>Unleveraged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Btax IRR (%)</td>
<td>&gt;200</td>
<td>105</td>
</tr>
<tr>
<td>Btax Payout (Months)</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Operating Margin ($/BOE)</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>2 Year Free Cash Flow ($MM)</td>
<td>3.8</td>
<td>2.1</td>
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</table>

All metrics based on $3.0/MMBtu NYMEX, $50/bbl WTI, and $0.75 FX
**SUPER-CONDENSATE (>100 bbls/MMcf)**

Pipestone

![Graph of Type Curve with details on new 14-1 Pad well IP 56% condensate]

- New 14-1 Pad well IP 56% condensate
- Type Curve:
  - IP180 Condensate = 610 bbls/d
  - IP180 Gas = 2.6 MMcf/d
  - EUR = 1.2 MMBoe
  - D&C = $5.4 MM
  - Lateral Length = 9,800 ft

**Type Well Metrics – ECA Net**

- Blax IRR (%): 139
- Blax Payout (Months): 10
- Operating Margin ($/BOE): 25
- 2 Year Free Cash Flow ($MM): 8.6

All metrics based on $3.0/MMBtu NYMEX, $50/bbl WTI, and $0.75 FX

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**ENCANA MONTNEY TYPE CURVES**

**Total Gross Inventory**

<table>
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<tr>
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<th>BRITISH COLUMBIA</th>
<th>ALBERTA</th>
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</thead>
<tbody>
<tr>
<td><strong>Region</strong></td>
<td><strong>Gas</strong></td>
<td><strong>Condensate</strong></td>
</tr>
<tr>
<td>IP30 (BOE/d)</td>
<td>1,500 - 2,000</td>
<td>1,400 - 1,800</td>
</tr>
<tr>
<td>IP180 (BOE/d)</td>
<td>1,400 - 1,700</td>
<td>1,300 - 1,700</td>
</tr>
<tr>
<td>EUR/Well (Bcfe)</td>
<td>9 - 11</td>
<td>7 - 9</td>
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<tr>
<td>EUR/Well (MMBoe)</td>
<td>1,600 - 1,800</td>
<td>1,250 - 1,500</td>
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<tr>
<td><strong>Condensate Yield (bbls/MMcf)</strong></td>
<td>&lt;10</td>
<td>10 - 100</td>
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<tr>
<td><strong>D&amp;C Cost/well ($MM)</strong></td>
<td>4.9</td>
<td>4.9</td>
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<tr>
<td><strong>Average Lateral Length (ft)</strong></td>
<td>8,200</td>
<td>8,200</td>
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<tr>
<td><strong>Total Gross Inventory</strong></td>
<td>3,400</td>
<td>2,400</td>
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</table>

Estimated inventory based on 440 - 880 ft spacing. *Alberta Super-Condensate averages >300 bbls/MMcf. **Actuals vary between 7,800-9,900'*
ENCANA MONTNEY VS. COMPETITORS

Drilling Performance

- Encana leading with longer laterals
  - ~35% greater than industry average
- Continuous improvement and innovation to reduce costs
  - Bit design & optimization
  - High performance motors
  - Vendor sourcing for volume discounts
  - Fluid system evolution
  - Load leveling
  - Competitor benchmarking
  - Customized drilling parameters unique to reservoir

Source: Industry Data: The Well Completions and Frac Database (Canadian Discovery) and Industry Report
ENCANA MONTNEY VS. COMPETITORS

Tower Performance and Economics

Completion Comparison

<table>
<thead>
<tr>
<th></th>
<th>Encana</th>
<th>Peer*</th>
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<tbody>
<tr>
<td>Proppant Density (lb/ft)</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>Fluid (gal/ft)</td>
<td>670</td>
<td>980</td>
</tr>
<tr>
<td>Stage Spacing (ft)</td>
<td>330</td>
<td>175</td>
</tr>
<tr>
<td>Cluster density</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Completion Type</td>
<td>Cased</td>
<td>Cased</td>
</tr>
</tbody>
</table>

*Tower specific average

Production & Economic Comparison

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<tr>
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<th>Encana</th>
<th>Peer*</th>
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<tbody>
<tr>
<td>EUR/1000' (BOE)</td>
<td>160</td>
<td>125</td>
</tr>
<tr>
<td>IP180/1000' (BOE/d)</td>
<td>205</td>
<td>205</td>
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<tr>
<td>Btax IRR%</td>
<td>150</td>
<td>110</td>
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<tr>
<td>Disc Payout (years)</td>
<td>1.0</td>
<td>1.1</td>
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<tr>
<td>2 Year Netback ($/BOE)</td>
<td>15</td>
<td>16</td>
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</table>

ECA Tower wells outperform IRR by 35% and payout 10% faster

All metrics based on $3.00/MMBtu NYMEX, $50/bbl WTI, and $0.75 FX
*Source: Industry Data, The Well Completions and Frac Database (Canadian Discovery), and Company Presentations

ENCANA MONTNEY VS. COMPETITORS

Saturn Performance and Economics

Completion Comparison

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<tr>
<th></th>
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<td>Fluid (gal/ft)</td>
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<td>475</td>
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<td>Stage Spacing (ft)</td>
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<tr>
<td>Cluster density</td>
<td>5</td>
<td>-</td>
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<tr>
<td>Completion Type</td>
<td>Cased</td>
<td>Open Hole</td>
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Saturn specific average

Production & Economic Comparison

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<th>Encana</th>
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<tbody>
<tr>
<td>EUR/1000' (BOE)</td>
<td>200</td>
<td>110</td>
</tr>
<tr>
<td>IP180/1000' (BOE/d)</td>
<td>205</td>
<td>125</td>
</tr>
<tr>
<td>Btax IRR%</td>
<td>85</td>
<td>50</td>
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<tr>
<td>Disc Payout (years)</td>
<td>1.4</td>
<td>1.7</td>
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<tr>
<td>2 Year Netback ($/BOE)</td>
<td>11</td>
<td>14</td>
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</tbody>
</table>

ECA Saturn wells outperform IRR by 70% and payout 20% faster

All metrics based on $3.00/MMBtu NYMEX, $50/bbl WTI, and $0.75 FX
*Source: Industry Data, The Well Completions and Frac Database (Canadian Discovery), and Company Presentations
ENCANA MONTNEY
10 Year Growth Plan

• > 50,000 bbls/d & 1 Bcf/d by 2018
  – Decades of inventory remaining
• Utilizes 3rd party capital to fund infrastructure growth
  – Unique fee-for-service arrangement
• Capital focused on higher return D&C activities vs. facilities
  – Enables double the production growth
• Generates superior financial returns
  – Free cash flow positive 2017+
  – $700 MM free cash flow per year within a decade
  – Resilient to commodity prices

INFRASTRUCTURE PLAN
Building Flexibility for Growth

• Encana utilizing ~1.0 Bcf/d of processing capacity
  – 3rd party midstream facilities
  – ECA owned facilities
  – Unique fee for service agreement with Veresen Midstream Limited Partnership (VMLP)
• Processing capacity expansions underway
  – Bundled infrastructure model
    • Inlet and field compression, liquids handling, and gas processing in one location
  – ~800 MMcf/d of additional gas processing by 2018

<table>
<thead>
<tr>
<th>New Processing</th>
<th>Tower</th>
<th>Sunrise</th>
<th>Saturn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas Capacity (MMcf/d)</td>
<td>200</td>
<td>400</td>
<td>200</td>
</tr>
<tr>
<td>Condensate Production (bbls/d)</td>
<td>10,000</td>
<td>1,600</td>
<td>4,000</td>
</tr>
<tr>
<td>NGL (C2-C4) Production (bbls/d)</td>
<td>8,300</td>
<td>4,200</td>
<td>13,200</td>
</tr>
<tr>
<td>On-stream Date</td>
<td>Late 2017</td>
<td>Late 2017</td>
<td>Mid-2018</td>
</tr>
</tbody>
</table>
INFRASTRUCTURE PLAN
Bundled Infrastructure Growth

- **Unbundled infrastructure model**
  - Model typically used by industry
  - Field compression, liquids handling, and gathering away from main processing facility
  - Benchmark processing facility cost ~$1MM per MMcf/d of capacity

- **Encana bundled infrastructure model**
  - Larger and more efficient production growth
  - Smaller environmental footprint with less risk of regulatory delays
  - Lower construction cost
  - Lower operating costs

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LANDMARK AGREEMENT WITH VERESEN MIDSTREAM (VMLP)
Innovative Fee-for-Service Structure

- **Maximizing flexibility while managing execution**
  - In 2015, Encana and CRP sold infrastructure to VMLP and entered into gathering and processing arrangement for Montney acreage
  - Encana controls the pace and construction of facilities needed within ten years with VMLP funding

- **Increased financial flexibility**
  - VMLP is guaranteed a simple payout of incurred cost eight years after facilities are on-stream
    - Production in the current development plan exceeds production required for simple payout of facilities cost
    - Production from all sources* contribute to the simple payout calculation

- **Fee-for-service with a top-up**
  - Tolls are based upon a pre-agreed fee structure
    - No exposure to unutilized demand charges beyond the simple payout of incurred cost
    - No escalation in capital component of fees
    - Encana manages the operating component of fees while operating facilities

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*Sources include any Encana or third party production routed through VMLP funded facilities*
**INFRASTRUCTURE STRATEGY**
Capital Efficiency Driving Higher Production Growth

- Midstream strategy allows Encana to focus capital on higher return D&C activities vs. facilities
- Delivers 2x growth

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**Encana Liquids Production Outlook**

**Encana Natural Gas Production Outlook**

- Material improvements to cash flow and returns
  - ~30% higher operating cash flow over 10 years
  - 50% higher IRR
- F&D improvement outweighs margin impact
  - ~30% better F&D with third party infrastructure build

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**2017–2026 Development Scenario**

<table>
<thead>
<tr>
<th>$5.0 Oil &amp; $3.0 Gas</th>
<th>ECA</th>
<th>Self Build</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital ($MM)</td>
<td>~$4,200</td>
<td></td>
</tr>
<tr>
<td>BTax IRR</td>
<td>125%</td>
<td>75%</td>
</tr>
<tr>
<td>Positive Cash Flow</td>
<td>1 year</td>
<td>1.5 years</td>
</tr>
</tbody>
</table>

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**Notes:**
1. F&D includes existing infrastructure.
2. Income Margin is Operating Margin less F&D.
3. BT includes existing production.
4. Self Build includes 20% higher F&D with third party infrastructure build.
MONTNEY DEVELOPMENT PLAN
Free Cash Flow Generator

• Self funding
  – Montney generates free cash flow after development capital spending
• Sustainable value generation at lower commodity prices
  – Free cash flow generation continues in a lower price environment
  – “Self Build” scenario requires 4.5 years to achieve positive cash flow

ENCANA MONTNEY
Positioned for Growth

• Massive resource poised for significant growth
  – Encana holds a commanding position in the core of the Montney
  – 10,000 wells to drill
• Unique infrastructure model enables sustainable growth
  – Capital focused on higher return D&C activities vs. facilities
• Exceptionally strong financial results
  – Free cash flow generator
  – Resilient to low prices

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*Estimated inventory based on 440 - 880 ft spacing. *Upside scenario includes an incremental ~1,200 locations.
DELivering quality returns from a premier asset

- Montney among the lowest supply cost basins
- Advantaged into Western and Dawn gas markets on a delivered cost basis
- Encana is positioned in the core of the play
  - Massive inventory poised for significant gas and condensate growth
  - Basin leading operator
  - Innovative, flexible infrastructure plan to support future growth
- Self funding development generates significant free cash flow
ADVISORY REGARDING RESERVES DATA & OTHER OIL & GAS INFORMATION

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. Encana complies with NI 51-101 disclosure requirements in its most recently filed annual information form ("AIF"). Detailed Canadian protocol disclosure is contained in Appendix A and under "Namesake Description of the Business" of the AIF. Certain disclosure is also prepared in accordance with U.S. disclosure requirements as set forth in Appendix D of the AIF. A description of the primary differences between the disclosure requirements under Canadian standards and under U.S. standards is set forth under the heading "Reserves and Other Oil and Gas Information" in the AIF. Additional detail regarding Encana’s economic contingent resources disclosure is available in the Supplemental Disclosure Document filed concurrently with the AIF.

All estimates are effective as of December 31, 2015, are derived from reports prepared by independent qualified reserves evaluators engaged by Encana and are prepared in accordance with procedures and standards contained in the Canadian Oil and Gas Evaluation Handbook ("COCOH"), NI 51-101 and SEC regulations, as applicable. Information on the forecast prices and costs used in preparing the estimates are contained in the AIF. For additional information relating to risks associated with the estimates of reserves and resources, see "Risk Factors" in the AIF.

Reserves are the estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on: analysis of drilling, geological, geophysical and engineering data, the use of established technology, and specified economic conditions, which are generally accepted as being reasonable. Proved reserves are those reserves which can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves. Contingent resources do not constitute, and should not be confused with, reserves. Contingent resources are defined as those quantities of petroleum estimated, as of a given date, that are 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. There is uncertainty that it will be commercially viable to produce any portion of these resources. All of the resources classified as contingent and considered to be discovered, and as such have been assigned a 100% chance of discovery, but have not been included for the chance of development. The chance of development is defined as the likelihood of a project being commercially viable and development proceeding in a timely fashion. Determining the chance of development requires taking into consideration each contingency and quantifying the risks into an overall development risk factor at a project level. Contingent resources are categorized as economic if those contingent resources have a positive net present value under currently forecasted prices and costs. In examining economic viability, the same fiscal conditions have been applied as in the estimation of Encana’s reserves. Contingencies include factors such as required corporate or third-party (such as joint venture partners) approvals, legal, environmental and regulatory matters or a lack of infrastructure or markets.

Encana uses the terms play, resource play, total petroleum initially-in-place ("P/IP"), natural gas-in-place ("NGIP"), and crude oil-in-place ("COIP"). Play encompasses resource plays, geological formations and conventional plays. Resource play describes an accumulation of hydrocarbons known to exist over a large area or reserves 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. P/IP 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"). NGIP and COIP are defined in the same manner, with the substitution of "natural gas" and "crude oil" where appropriate for the word "petroleum". As used by Encana, estimated ultimate recovery ("EUR") has the meaning set out jointly by the Society of Petroleum Engineers and World Petroleum Congress in the year 2000, being those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from an accumulation, plus those quantities already produced therefrom.

In this presentation, Encana has provided information with respect to certain of its plays and emerging opportunities which is "analogous information" as defined in NI 51-101. This analogous information includes estimates of P/IP, NGIP, COIP or EUR, all as defined in the COCGH or by the SPE-PRMS, and production type curves. This analogous information is presented on a best-, sub-best- or area basis utilizing data derived from Encana’s internal sources, as well as from a variety of publicly available information sources which are independently prepared. Production type curves are based on a methodology of analog, empirical and theoretical assessments and workover with consideration of the specific asset, and as depicted in this presentation, is representative of Encana’s current program, including relative to current performance. Some of this data may not have been prepared by qualified reserves evaluators or auditors, may have been prepared based on internal estimates, and the preparation of any estimates may not be in strict accordance with COCGH. 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 area in question, and such information has been updated as of the date hereof unless otherwise specified. Due to the early life nature of the various emerging plays discussed in this presentation, P/IP is the most relevant specific asset, as it is an estimated resource. There is no certainty that any portion of these volumes will be developed or produced. There is no certainty that the volume of natural gas so presented will be ultimately recoverable. Encana does not necessarily indicate long-term performance or ultimate recovery. The conversion of natural gas volumes to barrels of oil equivalent ("BOE") is based on a generic energy equivalency conversion method primarily applicable at the burner tip and does not represent economic value equivalency at the wellhead. Readers are cautioned that BOE may be misleading, particularly if used in isolation.