Encana’s Transformation:
Powerful Leadership, Pragmatism & Pollination

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FUTURE ORIENTED INFORMATION

This presentation contains certain forward-looking statements or information (collectively, “FLS”) within the meaning of applicable securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. FLS include:

• expected meeting of or exceeding targets in corporate guidance and five-year plan
• anticipated capital program, including focus of development and allocation thereof, number of wells on stream, level of capital productivity, expected return and source of funding
• well performance, completions intensity, location of acreage and costs relative to peers and within assets
• anticipated production, including growth from core assets, cash flow, free cash flow, capital coverage, payout, profit, net present value, rates of return, recovery, return on capital employed, production efficiency, execution efficiency, operating, income and cash flow margin, including expected timeframes, impact of prices and commodity mix
• number of potential drilling locations (including premium return inventory and ability to add to or consume such inventory), well spacing, number of wells per pad, decline rate, rig count, rig release metrics, focus and timing of drilling, anticipated vertical and horizontal drilling, cycle times, commodity composition, gas-oil ratios and operating performance compared to type curves
• running room and scale of assets, including its competitiveness and pace of growth against peers
• pacesetting operational metrics being indicative of future well performance and costs, and sustainability thereof
• timing, success and benefits from innovation, cube development approach, scale of development, advanced completions design, technology advancements and asset quality, and transferability of ideas

Readers are cautioned against unduly relying on FLS which involve assumptions, risks and uncertainties that may cause FLS not to occur or results to differ materially. These assumptions include: future commodity prices and differentials; foreign exchange rates; ability to access sources of liquidity; assumptions contained in Encana’s corporate guidance, five-year plan and in this presentation; data contained in key modeling statistics; enforceability of risk management program; results from innovations; expectation that counterparties will fulfill their obligations; access to transportation and processing facilities; assumed tax, royalty and regulatory regimes; and expectations and projections made in light of, and generally consistent with, Encana’s historical experience and its perception of historical trends.

Risks and uncertainties include: ability to generate cash flow to meet obligations; commodity price volatility; ability to secure adequate transportation and potential curtailments; variability and discretion of Encana’s board of directors to declare and pay dividends, if any; timing and costs of infrastructure construction; business interruption or unexpected technical difficulties, including impact of weather; counterparty and credit risk; changes in credit rating and impact on access to sources of liquidity; fluctuations in currency and interest rates; risks inherent in corporate guidance and five-year plan; failure to achieve cost and efficiency initiatives; risks in marketing operations; risks associated with technology; changes in or interpretation of laws or regulations; risks associated with existing and potential lawsuits and regulatory actions made against Encana; disputes arising with partners, including suspension of obligations or inability to dispose of assets or interests in certain currencies; ability to acquire or find additional reserves; imprecision of reserves estimates and estimates of recoverable quantities from plays and other sources not currently classified as proved, probable or possible reserves or economic contingent resources, including future net revenue estimates; risks associated with past and future acquisitions or divestitures of certain assets or other transactions or receipt of amounts contemplated under the transaction agreements (such transactions may include third-party capital investments, farm-outs or partnerships, which Encana may refer to from time to time as “partnerships” or “joint ventures” and the funds received in respect thereof which Encana may refer to from time to time as “proceeds”, “deferred purchase price” and/or “carry capital”, regardless of the legal form) as a result of various conditions not being met; and other risks and uncertainties as described in Encana’s Annual Report on Form 10-K and from time to time in other periodic filings as filed on SEDAR and EDGAR.

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Certain future oriented financial information or financial outlook information is included in this presentation to communicate current expectations as to Encana’s performance. Readers are cautioned that it may not be appropriate for other purposes. Other than as commodity prices with local pricing offsets, capital costs associated with drilling, completion and equipping a well, field operating expenses and certain type curve assumptions. Pacesetter well costs for a particular asset are a composite of the best drilling performance and best completions performance wells in the current quarter in such asset and are presented for comparison purposes. Drilling and completions costs have been normalized as specified in this presentation based on certain lateral lengths for a particular asset. Premium well locations are locations with expected after tax returns greater than 35% at $50/bbl WTI and $3/MMBtu NYMEX. For convenience, references in this presentation to "Encana", the “Company”, “we”, “us” and “our” may, where applicable, refer only to or include any relevant and indirect subsidiary corporations and partnerships ("Subsidiaries") of Encana Corporation, and the assets, activities and initiatives of such Subsidiaries. 

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WHERE WERE WE?
Encana PD (Pre-Doug)

January 2013
- 28 Funded Assets
- $2.7B Capex
- 10% Liquids
- 54 Mbbls/d Liquids Production
- $98 WTI / $3.73/MMBtu
POWERFUL LEADERSHIP

• June 11, 2013: Doug Suttles appointed President & CEO

  • “Encana hands reins to outsider” – The Globe and Mail

  • “Encana Corp’s new CEO Doug Suttles is crisis-tested” – The Financial Post

• November 5, 2013: Strategy Launch
PRAGMATISM
November 5, 2013 Strategy Launch
WHAT DID WE NEED TO DO?

November 5, 2013: Strategy Launch
## WHAT DID WE NEED TO DO?

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realized Price ($/Boe)</td>
<td></td>
</tr>
<tr>
<td><strong>PMOT</strong> ($/Boe)</td>
<td>Production, Mineral &amp; Other Taxes</td>
</tr>
<tr>
<td>Transportation &amp; Processing</td>
<td></td>
</tr>
<tr>
<td>Direct Opex ($/Boe)</td>
<td>Direct Operating Costs</td>
</tr>
<tr>
<td>Indirect Opex ($/Boe)</td>
<td>Indirect Operating Costs</td>
</tr>
<tr>
<td>F&amp;D ($/Boe)</td>
<td>Finding &amp; Development Costs</td>
</tr>
<tr>
<td>G&amp;A and Interest ($/Boe)</td>
<td>General &amp; Administrative and Interest on Debt</td>
</tr>
<tr>
<td>Income Margin ($/Boe)</td>
<td>Income Margin = Operating Margin($/Boe) – F&amp;D ($/Boe) – Non-Well ($/Boe) – G&amp;A and Interest ($/Boe)</td>
</tr>
</tbody>
</table>
## PORTFOLIO MATTERS

### Theoretical Examples

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Liquids Rich Play</th>
<th>Dry Gas Play</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realized Price*</td>
<td>$40.00</td>
<td>$12.00</td>
</tr>
<tr>
<td>PMOT</td>
<td>$1.00</td>
<td>$1.00</td>
</tr>
<tr>
<td>T&amp;P</td>
<td>$3.00</td>
<td>$3.00</td>
</tr>
<tr>
<td>Direct Opex</td>
<td>$4.00</td>
<td>$2.00</td>
</tr>
<tr>
<td>Indirect Opex</td>
<td>$0.20</td>
<td>$0.20</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>$31.80</td>
<td>$5.80</td>
</tr>
<tr>
<td>F&amp;D</td>
<td>$5.00</td>
<td>$4.00</td>
</tr>
<tr>
<td>G&amp;A and Interest</td>
<td>$2.00</td>
<td>$2.00</td>
</tr>
<tr>
<td>Income (Corporate) Margin</td>
<td>$24.80</td>
<td>($0.20)</td>
</tr>
</tbody>
</table>

*Starting with $50/Bbl WTI and $3.00/MMBtu NYMEX
TRANSFORMED THE PORTFOLIO

- Divested mature, lower margin gas assets
- Acquired liquids, base production and high margin, early life, liquids-rich opportunities
  - Focused on “Best Rocks”
  - Creative midstream deals, joint ventures, and IPO
  - Reduced long term T&P commitments

[Graph showing asset distribution across various regions and plays]
**WHAT DID WE DO?**

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<td>Income Margin</td>
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</table>

**PMOT ($/Boe)** = Production, Mineral & Other Taxes

**T&P ($/Boe)** = Midstream & Downstream

**Direct Opex ($/Boe)** = Direct Operating Costs

**Indirect Opex ($/Boe)** = Indirect Operating Costs

**F&D ($/Boe)** = Finding & Development Costs

**G&A and Interest ($/Boe)** = General & Administrative and Interest on Debt

**Income Margin ($/Boe)** = Operating Margin($/Boe) – F&D ($/Boe) – Non-Well ($/Boe) – G&A and Interest ($/Boe)
LATE 2014, EARLY 2015 WTI OIL PRICES ($/bbl)
AN OPERATOR INVESTORS CAN COUNT ON

Strong Finish to 2017

• Core asset production growth above top end of 2017 guidance
  – Up ~ 31% from Q4 2016, surpassing original guidance
  – Permian production exceeded 80 MBOE/d
  – Montney liquids more than doubled from Q4 2016

• Well positioned to meet or exceed 5-year-plan expectations for 2018
  – Targeting core asset production growth of 25-35% from Q4 2017 to Q4 2018
DISCIPLINED CAPITAL ALLOCATION
Delivering Quality Corporate Returns

Projected 2018 Program

- $1.6-$1.8 B total capital
  - Permian: $750-850MM
  - Montney: $350-450MM
- > 90% of capital to DC&T
- 380-420 MBOE/d core asset production in 4Q/18

70%
Permian and Montney

<1%
Other assets

30%
Eagle Ford & Duvernay
5 YEAR PLAN
Self-Funding Post 2017

- Resilient to operational risk
- Focus on high margin production
- Continuous improvement drives quality corporate returns
- Liquids production CAGR of ~20%
- Very strong balance sheet

*2017 production does not include volumes from assets divested in 2017.
BUT WHAT ABOUT POLLINATION?

Pollination Causes Flower to Go to Seed

Seeds Spread and Create More Flowers

More Flowers Get Pollinated and Go to Seed

Seeds Spread and Create Even More Flowers

From YouTube: PiecesOfNature

From wonderopolis.org

From CBC.ca

From YouTube: PiecesOfNature
48 People Returned Back To Their Roles
ENCANA IS AN INNOVATION COMPANY
Leveraging Technology & Commercial Ingenuity

• Deeply rooted in our culture
• Structured innovation process with focus on value
• Proprietary real-time data analytics and first principles modeling
• Rapid knowledge transfer across our portfolio
• Technical and commercial ingenuity

Encana Shale Technology Exchange
October 2 - 4, 2017
>70 proprietary papers presented
INNOVATION LEADERSHIP AT ENCA NA
A Competitive Advantage

**Subsurface**
- Geo-cellular reservoir modeling to identify the best rocks
- Leveraging massive proprietary analytics dataset (core, logs, seismic, micro-seismic, fracture diagnostics, production)

**Drilling & Completions**
- Proprietary in-house well design
- Integrated team with on-the-fly modeling capabilities
- Advanced completions
- Fibre-optic real-time pressure/completions design analytics

**Production Operations**
- Real-time production data capture & analysis
- Automation enables highly efficient growth
- Remote surveillance and control boosts well and facility up-time

**Commercial Arrangements**
- Creating optionality and managing risk
- Disrupting the commercial status quo

**Culture of Innovation**
- Structured and driven to business outcomes
- Real time knowledge sharing across portfolio
- Analytics linked with deep understanding of first principles
FOCUS ON QUALITY CORPORATE RETURNS
Our Business Works Today

Strategy

• World class portfolio of assets
• Execution excellence
• Market fundamentals
• Disciplined capital allocation
• Unconventionals are all we do

Execution

• Track record of delivery
• Culture of innovation both technical and commercial
• Leader in industrial scale development
• Integrated supply chain management
• Managing risk