



take a closer look

Update report: Firming of Wind with Natural Gas Wyoming Natural Gas Vehicle and Infrastructure Coalition

Alexine Hazarian
Wyoming infrastructure Authority
October 25, 2011
Laramie, WY

Future oriented information

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In the interest of providing Encana shareholders and potential investors with information regarding the Company and its subsidiaries, including management's assessment of Encana's and its subsidiaries' future plans and operations, certain statements and graphs throughout this presentation contain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 or "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking statements in this presentation include, but are not limited to, statements with respect to: projected 2011 total production and annual growth; estimated reserves and economic contingent resources; estimated net drilling locations; target to double production per share by 2014; expected benefits of resource play hub and gas factories; projected third parties and joint venture capital, including potential completion of joint venture with PetroChina; forecast growth profile for 2011 to 2014; ability to maintain investment grade credit ratings; ability to pay dividends; successful execution of Encana's business model; 2011 Corporate Guidance; forecast metrics; Company's expectations for future Debt to Capitalization and Debt to Adjusted EBITDA ratios; expected rates of return at various NYMEX gas prices; target to further reduce supply cost; projections with respect to future production, estimated reserves and resources, number of wells and other developments at various resource and emerging plays; projected first production at Deep Panuke; and expected future demand opportunities in transportation and power generation.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the Company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These assumptions, risks and uncertainties include, among other things: volatility of and assumptions regarding commodity prices; assumptions based upon Encana's current guidance; the risk that the Company may not conclude potential joint venture arrangements with PetroChina or others and raise third party capital investments; 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; the Company's and its subsidiaries' ability to replace and expand reserves; 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 generate sufficient cash flow from operations to meet its current and future obligations; the Company's ability to access external sources of debt and equity capital; the timing and the costs of well and pipeline construction; the Company's and its subsidiaries' 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 and its subsidiaries operate; terrorist threats; risks associated with existing and potential future lawsuits and regulatory actions made against the Company and its subsidiaries; 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 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 revision for factors including the outlook for natural gas commodity prices and the expectations for capital investment by the Company, achieving an average drilling 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 resource plays, Encana's estimates of 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. Forward-looking information respecting anticipated 2011 Cash Flow, operating cash flow and pre-tax cash flow for Encana is based upon achieving average production of oil and gas for 2011 of between 3.475 to 3.525 billion cubic feet equivalent ("Bcfe") per day ("Bcfe/d"), commodity prices for natural gas of NYMEX \$4.50/Mcf to \$5.00/Mcf, crude oil (WTI) \$85.00/bbl to \$95.00/bbl, U.S./Canadian dollar foreign exchange rate of \$0.95 to \$1.05 and a weighted average number of outstanding shares for Encana of approximately 736 million. Assumptions relating to forward-looking statements generally include Encana's current expectations and projections made by the Company in light of, and generally consistent with, its historical experience and its perception of historical trends, 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.

Encana's Vision for the Future

Growing the Market for North American Natural Gas

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Abundance of natural gas enables an energy plan that will include...

- Natural gas as a preferred fuel for power generation
- **Natural gas as a transportation fuel**
- Expanded natural gas use in industrial applications
- Accessing new markets – LNG export

Natural Gas Economy Mission

encana™

Our mission is to establish natural gas as the foundation of North America's energy portfolio

- Abundant
- Affordable
- Clean
- Reliable
- Domestic Solution

Why Wyoming?

encana™

- Leading Natural Gas Producing State
 - Second top-producing state in the U.S.
 - Second-largest proven natural gas reserve in the U.S.
 - Two top-10 Fields by Gas Proved Reserves
- Interstate Corridors (I-80 & I-25)
- Existing Rate Tariff for Natural Gas as a Transportation Fuel
- Existing LNG Production for Transportation Fuel



Wind Power

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- Wind is a risk mitigating strategy to the cost of fuel & carbon

- Gas compliments wind
 - Gas-fired generation can cycle up/down quickly making it ideal to compliment with intermittent renewable power generation
 - Cleaner, more efficient forms of generation
 - Lowers overall cost of fuel to the consumer
- Natural gas is the bridge fuel to lower carbon era
 - Wind produces no carbon
 - Supports renewable portfolio standards



Wind Supply Variability

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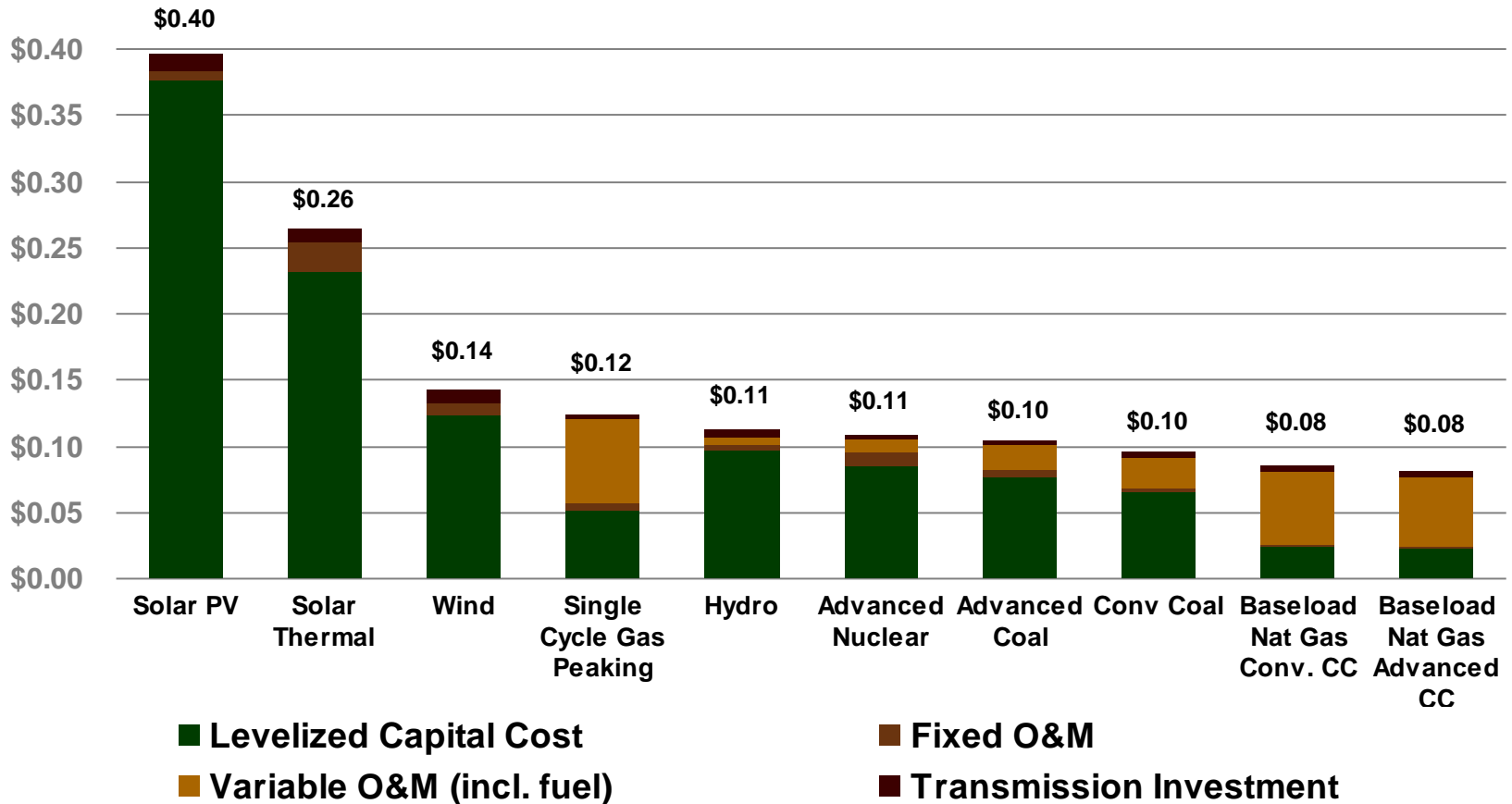
- **Why is this a problem?**
- Unpredictable power supply means you can't deliver power on a 'firm' basis (which is priced at a premium)
- You may have to sell surplus power at low prices when wind is strong
- **What solutions are available?**
- Improve geographic diversity by bundling power from many sources
 - Makes it unlikely all farms will all be 'off' or 'on' at the same time
- Develop energy storage solutions (Pumped water, compressed air)
 - Allows storage of excess energy to be used when wind doesn't blow
- Backup Intermittent Power with Natural Gas
 - Provides guaranteed energy backup
 - Price competitive

Levelized Cost Profile of New Generation

Most Affordable Power Generation

encana™

Realized \$US/kWh for plants entering service by 2016



Sources: EIA, Annual Energy Outlook 2009

Natural Gas as a Transportation Fuel

Mission Possible

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- Fundamentals (and outlook) have never been more attractive
- Industry ready to deliver natural gas economy
- OEM product ready worldwide for a wide range of vehicles
- Part of the domestic solution
- New industry creates economic prosperity
- Environmental fuel choice



Wyoming Natural Gas Vehicle & Infrastructure Coalition

Natural Gas for Transportation

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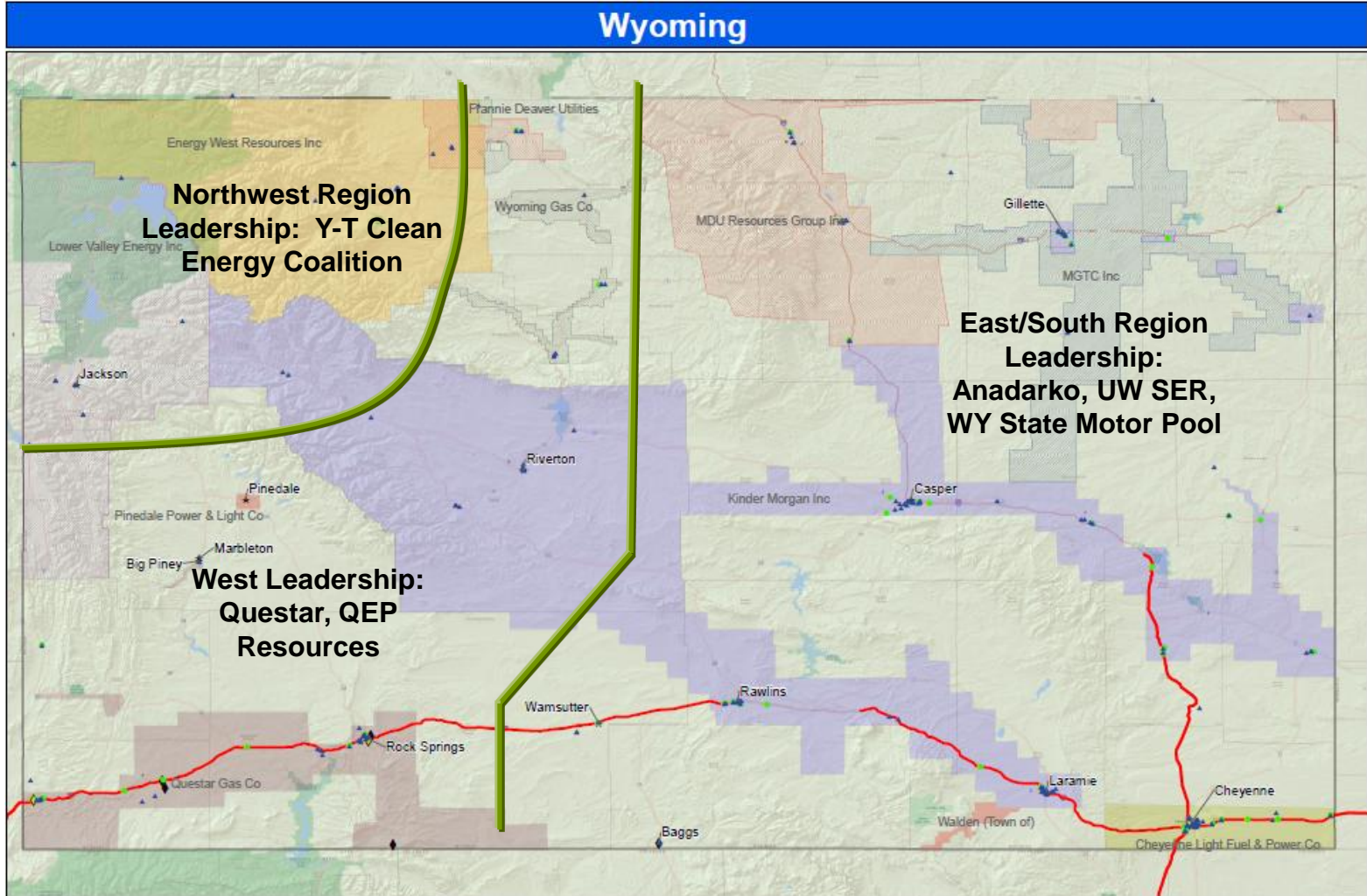
The purpose of the Coalition is to advance natural gas infrastructure and vehicle growth in Wyoming through planning for best infrastructure placement, connecting stakeholders together to create the infrastructure, and engaging appropriate fleets and vehicles.

WY NGVI Coalition Current members – others to be included

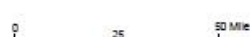


Wyoming NGV Infrastructure Coalition

Regional Leadership (Producers, LDCs, Government, Organizations)



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 1471 17th Street
 Denver, CO 80202
 Map Author: Michael Wiley
 2010/06/22/07



Encana Natural Gas Inc.																					
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Recent Wyoming NGV Developments

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- Progressive NGV Legislation
 - House Bill 235
 - Gov. Mead forms NGV Task Force
 - Testifying to Joint Minerals, Business and Economic Development Interim Committee

- Fleet news
 - University of Wyoming
 - Natural gas producers

- Infrastructure Development
 - 8 current CNG stations
 - First WY CNG station north of I-80: Riverton
 - Pinedale School District
 - University of Wyoming

- Conversion and Maintenance

