



Natural Gas – Global / Domestic Opportunities & Challenges

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American Gas Association Financial Forum | Orlando, FL | May 17, 2011



Future Oriented Information

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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: projected increase in demand opportunities for natural gas in power generation and transportation; estimated years of supply of natural gas in North America; estimated average costs for plants by 2016; supply potential for natural gas from 2010 to 2010; projected natural gas highways; and future natural gas consumers.

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; 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; 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 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 the next five years, are based upon numerous facts and assumptions which are discussed in further detail in this presentation, including a projected capital program averaging approximately \$6 billion per year from 2011 to 2014, achieving an average rate of approximately 2,500 net wells per year from 2011 to 2014, 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.

Who is Encana?

- A leading North American energy company with offices in
 - Calgary, Alberta
 - Denver, Colorado
 - Dallas, Texas
- 100% production and reserves located in North America
- One of the largest producers of North American natural gas
 - 23,000 net drilling locations
 - \$24.9B market capitalization (May 2011)

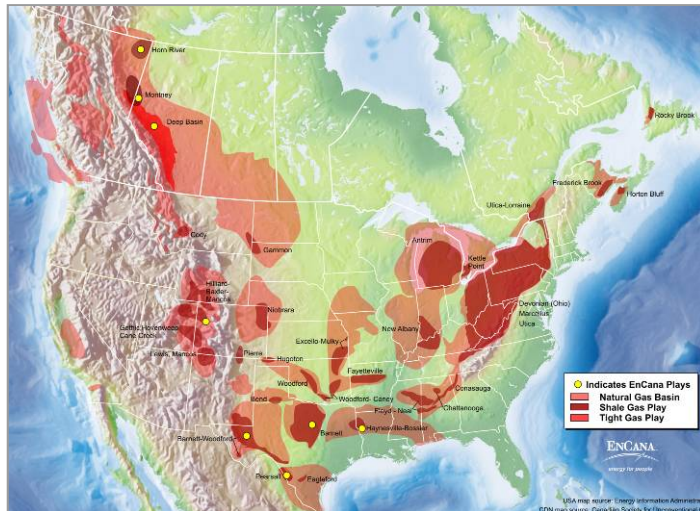
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North American Natural Gas Landscape

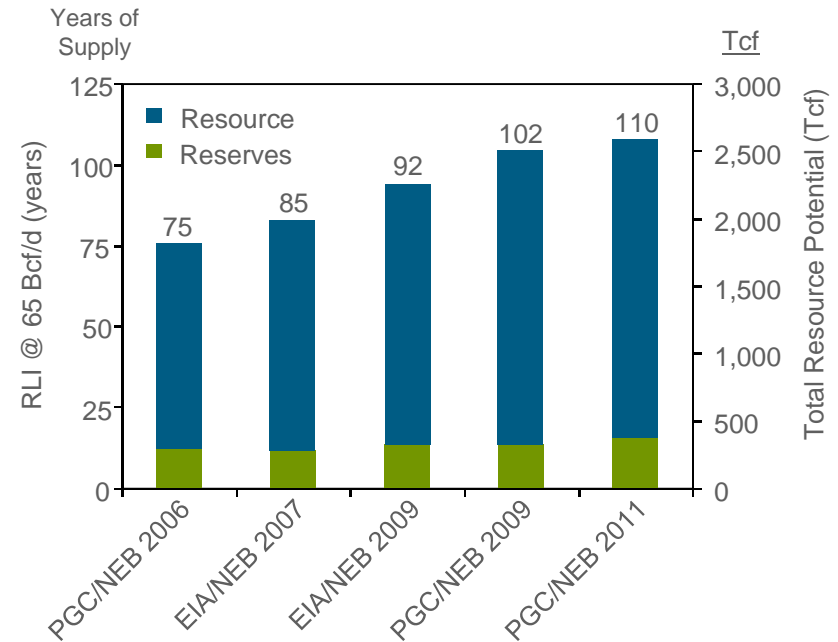
Increased Reserve and Resource Base

Location of Shale Plays



Gas Shale Plays are an Industry Changing Breakthrough

Canada and U.S. Resource Estimates



- 2,600 Tcf of Total Resource
- 100+ Year Supply at 70 Bcf/d
- 70+ Year Supply at 100 Bcf/d

Production and Growth Rates

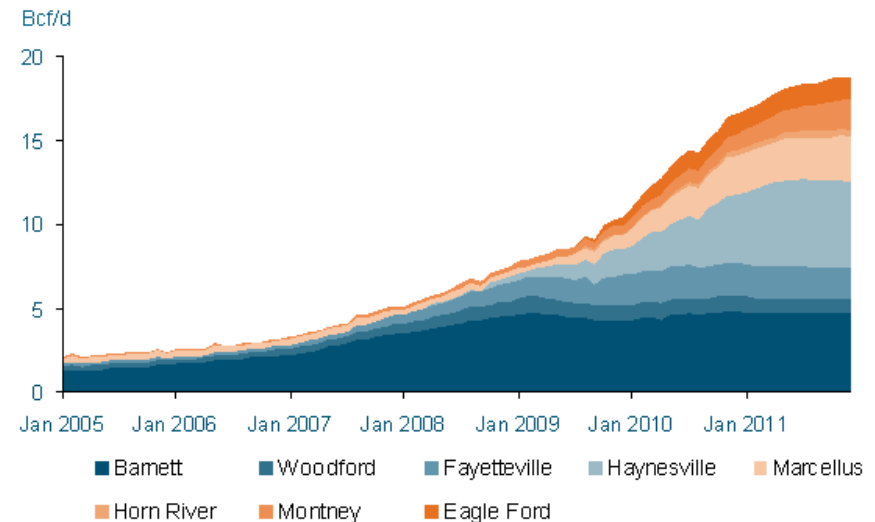
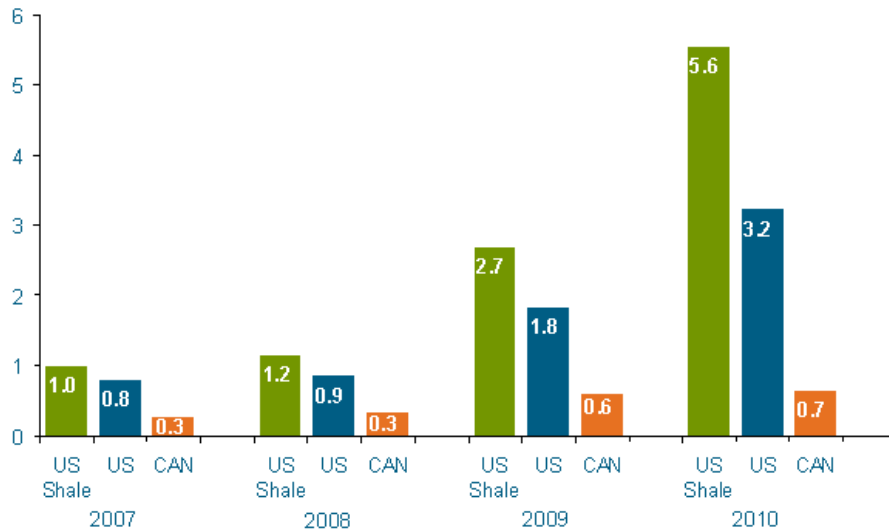
United States and Canada Supply

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Shale IP's increasingly important to production growth

8 plays account for nearly 25 percent of U.S. and Canadian Supply / 16 Bcf/d growth since 2005.

Weighted Average IP (MMcf/d)



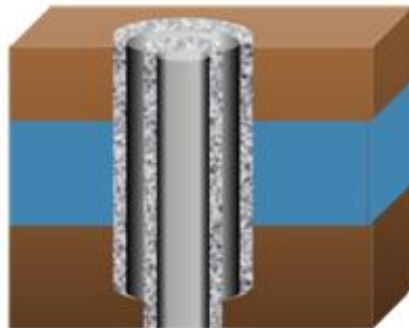
Source: Encana, IHS Energy

Fracture Stimulation & Gas Production – Isolated from Fresh Water

Horizontal drilling produces smaller surface impact, fewer wells but more energy, fewer air emissions and less waste

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Multiple protective layers extend from surface to below aquifers.



Groundwater aquifers

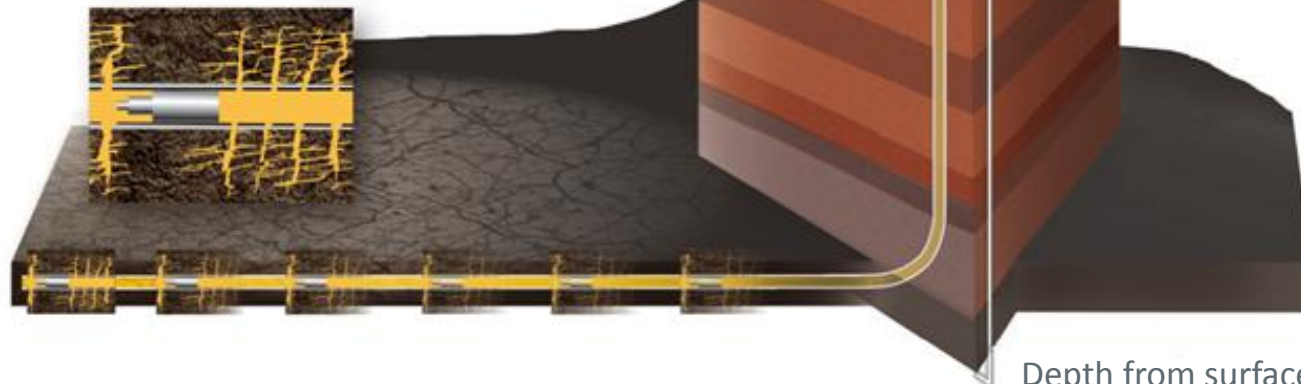
Private well
(about 500 feet deep)

Public well
(about 1,000 feet deep)

Several layers of steel tubes encased in cement protect groundwater supplies

Protective steel casing encased in cement extends to shale depth

Shale Fractures



A Regulated Process

- **The Clean Water Act** regulates surface water discharges and storm-water runoff.
- **The Clean Air Act** sets rules for air emissions from engines, gas processing equipment and other sources associated with drilling and production activities.
- **The Safe Drinking Water Act** regulates the disposal of fluid waste deep underground (far below fresh water supplies and separated by approximately one mile of impermeable rock).
- **The National Environmental Policy Act** requires permits and environmental impact assessments for drilling on federal lands.
- **The Occupational Safety and Health Act** sets standards to help keep workers safe. These include requiring Material Safety Data Sheets be maintained and readily available onsite for any chemicals used by workers at that location.
- **The Emergency Planning & Community Right-to-Know Act** requires storage of regulated chemicals in certain quantities to be reported annually to local and state emergency responders.

Voluntary Disclosure System



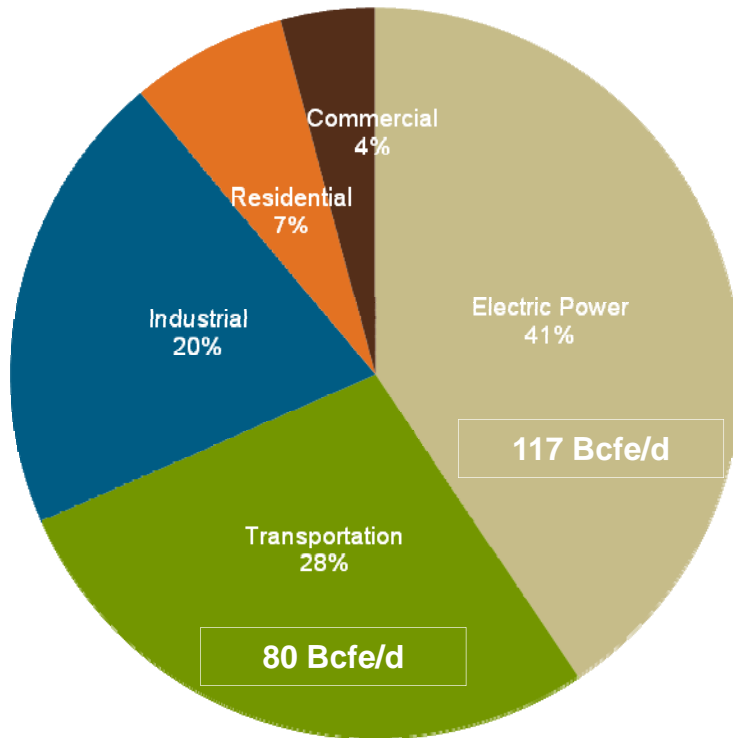
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- GWPC and IOGCC have created FracFocus.org, a voluntary national, web-based registry to obtain, store and publish information concerning chemicals used in the hydraulic fracturing process on a per-well basis.
- Registry will use Risk Based Data Management System (RBDMS) as the technology platform.
 - RBDMS is already used by 25 state agencies charged with regulating and overseeing oil and gas activities.
 - Developed by the GWPC under the guidance of the U.S. DOE
- The registry offers a centralized, global site where regulators, companies and the public can come for reliable and current information on individual wells.
- Since its launch in April, 2011, 37 companies have registered to disclose data and information and 17 of these companies have already uploaded 444 wells to the site with more being added every day. Already the site has received 22,000 visits from 78 countries

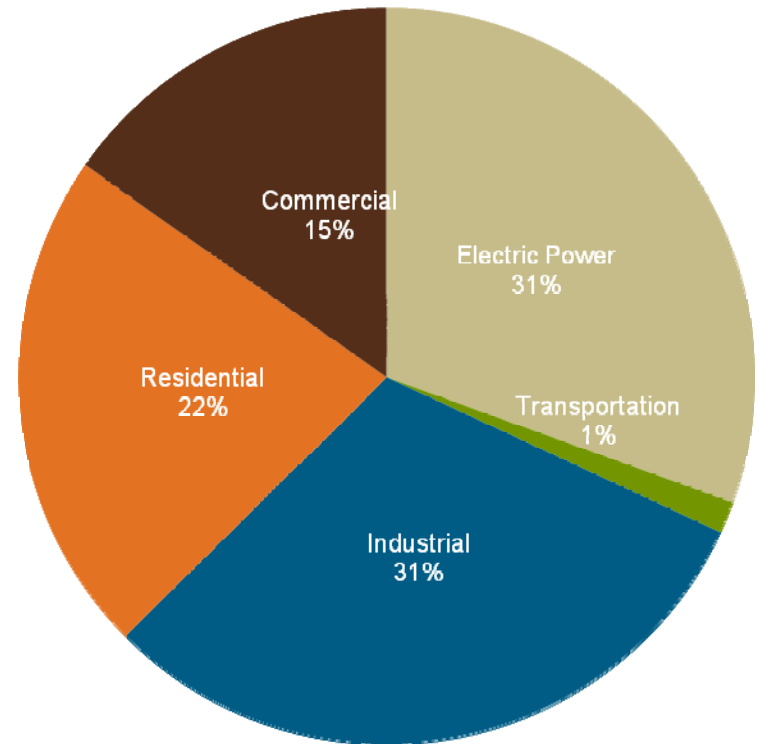
Vast Displacement Potential for Natural Gas

Canada and U.S. Energy Consumption by Sector

Total Input Energy Consumption ~288 Bcfe/d



Natural Gas Consumption ~72 Bcfe/d



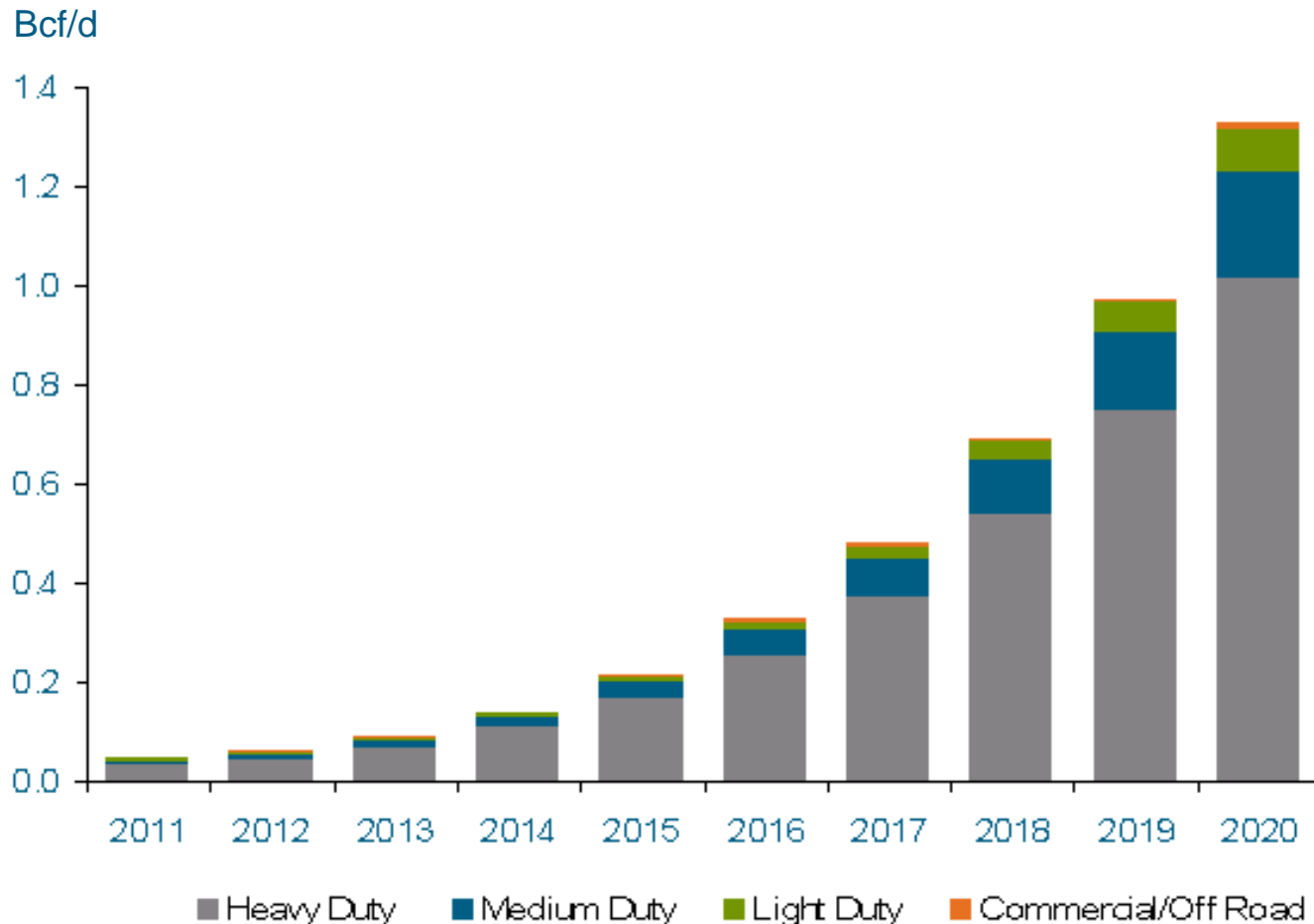
Natural gas accounts for 25% of total Bcfe/d North American energy consumption

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Transport Sector Gas Demand

United States and Canada Vehicle Fuel

The potential for natural gas vehicles to grow natural gas demand is tremendous and even a **conservative** view could see growth of 1.3 Bcf/d through 2020.



Encana – What Are We Doing?

- **Internal Operations Fleet**

- Light Duty Fleet Conversion
- Drive NGV Program

- **Building CNG Stations**

- 4 Private Stations in North America
- 3 Public Stations in North America
- More Planned

- **Expanding LNG Infrastructure**

- Mobile Fuelers
- Mini-Liquefaction Plants
- LNG Fueling Stations

- **Utilizing Natural Gas Rigs**

- 11 Dedicated LNG Rigs
- 5 Dual Fuel Rigs

- **Industry Vendor Conversions**

- Working with Suppliers
- Building Mobile / Permanent LNG Stations

- **ANGA/AGA Collaboration**

- Infrastructure
- Vehicle / OEM Outreach
- Market Study

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**Market
Natural Gas
Supply**



**Encana CNG
Stations with
public access**



**LNG
Transportation**



**LNG
Mini-Liquefaction**



**L/CNG
Dispensing**