

Consolidated Financial Statements

For the period ended September 30, 2003

EnCana Corporation

Interim Report

For the period ended September 30, 2003

EnCana Corporation

CONSOLIDATED STATEMENT OF EARNINGS

	September 30				
	Three Months Ended		Nine Months Ended		
	2003	2002	2003	2002	
<i>(unaudited) (\$ millions, except per share amounts)</i>					
REVENUES, NET OF ROYALTIES AND PRODUCTION TAXES	(Note 3) \$	3,116	\$ 2,741	\$ 10,378	\$ 6,388
EXPENSES	(Note 3)				
Transportation and selling		173	174	537	380
Operating		445	350	1,372	869
Purchased product		955	1,041	3,458	2,317
Administrative		56	50	172	111
Interest, net		87	112	257	242
Foreign exchange (gain) loss	(Note 5)	(25)	156	(560)	(24)
Depreciation, depletion and amortization		748	605	2,211	1,392
		2,439	2,488	7,447	5,287
NET EARNINGS BEFORE THE UNDERNOTED		677	253	2,931	1,101
Income tax expense	(Note 6)	278	126	513	361
Distributions on Subsidiary Preferred Securities, net of tax		-	11	-	11
NET EARNINGS FROM CONTINUING OPERATIONS		399	116	2,418	729
NET EARNINGS FROM DISCONTINUED OPERATIONS	(Note 4)	1	88	294	66
NET EARNINGS		\$ 400	\$ 204	\$ 2,712	\$ 795
DISTRIBUTIONS ON PREFERRED SECURITIES, NET OF TAX		7	1	(8)	2
NET EARNINGS ATTRIBUTABLE TO COMMON SHAREHOLDERS		\$ 393	\$ 203	\$ 2,720	\$ 793
NET EARNINGS FROM CONTINUING OPERATIONS PER COMMON SHARE	(Note 9)				
Basic		\$ 0.83	\$ 0.24	\$ 5.08	\$ 1.83
Diluted		\$ 0.82	\$ 0.24	\$ 5.00	\$ 1.80
NET EARNINGS PER COMMON SHARE	(Note 9)				
Basic		\$ 0.83	\$ 0.43	\$ 5.69	\$ 1.99
Diluted		\$ 0.82	\$ 0.42	\$ 5.60	\$ 1.96

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	Nine Months Ended September 30	
	2003	2002
<i>(unaudited) (\$ millions)</i>		
RETAINED EARNINGS, BEGINNING OF YEAR	\$ 4,684	\$ 3,630
Net Earnings	2,712	795
Dividends on Common Shares and Other Distributions, net of tax	(135)	(122)
Charges for Normal Course Issuer Bid	(503)	-
RETAINED EARNINGS, END OF PERIOD	\$ 6,758	\$ 4,303

See accompanying Notes to Consolidated Financial Statements.

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For the period ended September 30, 2003

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CONSOLIDATED BALANCE SHEET

<i>(unaudited) (\$ millions)</i>	As at September 30, 2003	As at December 31, 2002
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 335	\$ 183
Accounts receivable and accrued revenue	1,295	1,987
Inventories	1,046	528
Assets of discontinued operations	<i>(Note 4)</i> -	3,422
	2,676	6,120
Capital Assets, net	<i>(Note 3)</i> 24,440	22,356
Investments and Other Assets	627	377
Goodwill	2,469	2,469
	<i>(Note 3)</i> \$ 30,212	\$ 31,322
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,964	\$ 2,282
Income tax payable	208	20
Liabilities of discontinued operations	<i>(Note 4)</i> -	1,758
Current portion of long-term debt	<i>(Note 7)</i> 50	212
	2,222	4,272
Long-Term Debt	<i>(Note 7)</i> 7,103	7,395
Deferred Credits and Other Liabilities	557	564
Future Income Taxes	5,377	4,840
Preferred Securities of Subsidiary	-	457
	15,259	17,528
Shareholders' Equity		
Preferred securities	549	126
Share capital	<i>(Note 8)</i> 8,527	8,732
Share options, net	98	133
Paid in surplus	-	61
Retained earnings	6,758	4,684
Foreign currency translation adjustment	(979)	58
	14,953	13,794
	\$ 30,212	\$ 31,322

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