



Encana Corporation

Interim Supplemental Information  
*(unaudited)*

For the period ended June 30, 2012

U.S. Dollars / U.S. Protocol

## Supplemental Financial Information *(unaudited)*

### Financial Results

*(\$ millions, except per share amounts)*

	2012			2011					
	Year-to-date	Q2	Q1	Year	Q4	Q3	Q2 Year-to-date	Q2	Q1
Cash Flow <sup>(1)</sup>	1,815	794	1,021	4,216	983	1,181	2,052	1,089	963
Per share - Diluted <sup>(3)</sup>	2.47	1.08	1.39	5.72	1.33	1.60	2.78	1.48	1.31
Operating Earnings <sup>(2, 4)</sup>	438	198	240	1,191	232	389	570	352	218
Per share - Diluted <sup>(3, 4)</sup>	0.59	0.27	0.33	1.62	0.31	0.53	0.77	0.48	0.30
Net Earnings (Loss)	(1,470)	(1,482)	12	5	(476)	459	22	383	(361)
Per share - Diluted <sup>(3)</sup>	(2.00)	(2.01)	0.02	0.01	(0.65)	0.62	0.03	0.52	(0.49)
Effective Tax Rate using Net Earnings	46.6%			77.3%					
Canadian Statutory Rate	25.0%			26.5%					
Foreign Exchange Rates <i>(US\$ per C\$1)</i>									
Average	0.994	0.990	0.999	1.012	0.978	1.020	1.024	1.033	1.015
Period end	0.981	0.981	1.001	0.983	0.983	0.963	1.037	1.037	1.029
<b>Cash Flow Summary</b>									
Cash From (Used in) Operating Activities	1,248	631	617	3,927	1,005	1,285	1,637	980	657
Deduct (Add back):									
Net change in other assets and liabilities	(46)	(26)	(20)	(160)	(30)	(26)	(104)	(75)	(29)
Net change in non-cash working capital	(509)	(134)	(375)	(15)	166	130	(311)	(34)	(277)
Cash tax on sale of assets	(12)	(3)	(9)	(114)	(114)	-	-	-	-
Cash Flow <sup>(1)</sup>	1,815	794	1,021	4,216	983	1,181	2,052	1,089	963
<b>Operating Earnings Summary</b>									
Net Earnings (Loss)	(1,470)	(1,482)	12	5	(476)	459	22	383	(361)
After-tax (addition) deduction:									
Unrealized hedging gain (loss)	(502)	(547)	45	600	397	273	(70)	18	(88)
Impairments	(1,695)	(1,695)	-	(1,687)	(1,105)	-	(582)	-	(582)
Non-operating foreign exchange gain (loss)	(4)	(90)	86	(99)	82	(325)	144	44	100
Estimated annual effective tax rate adjustments <sup>(4)</sup>	293	652	(359)	-	(82)	122	(40)	(31)	(9)
Operating Earnings <sup>(2, 4)</sup>	438	198	240	1,191	232	389	570	352	218

<sup>(1)</sup> Cash Flow is a non-GAAP measure defined as Cash from Operating Activities excluding net change in other assets and liabilities, net change in non-cash working capital and cash tax on sale of assets.

<sup>(2)</sup> Operating Earnings is a non-GAAP measure defined as Net earnings excluding non-recurring or non-cash items that Management believes reduces the comparability of the Company's financial performance between periods. Under U.S. GAAP, these after-tax items may include, but are not limited to, unrealized hedging gains/losses, impairments, foreign exchange gains/losses, income taxes related to divestitures and adjustments to normalize the effect of income taxes calculated using the estimated annual effective tax rate.

<sup>(3)</sup> Net earnings, operating earnings and cash flow per common share are calculated using the weighted average number of Encana common shares outstanding as follows:

	2012			2011					
	Year-to-date	Q2	Q1	Year	Q4	Q3	Q2 Year-to-date	Q2	Q1
<i>(millions)</i>									
Weighted Average Common Shares Outstanding									
Basic	736.3	736.3	736.3	736.3	736.3	736.3	736.3	736.3	736.3
Diluted	736.3	736.3	736.3	737.2	736.8	737.6	737.3	737.6	737.6

<sup>(4)</sup> In conjunction with adopting U.S. GAAP, the Company has updated its quarterly Operating Earnings definition to calculate income taxes based on the discrete quarter results and exclude income taxes related to divestitures. The estimated annual effective tax rate is significantly impacted by items including tax on divestitures and related pool adjustments, international financing and the non-taxable portions of capital gains or losses. The difference between the discrete method and the estimated annual effective tax rate method is presented as an estimated annual effective tax rate adjustment. The 2011 quarterly comparatives have been restated.

## Supplemental Financial & Operating Information *(unaudited)*

Financial Metrics	2012		2011	
	Year-to-date		Year	
Debt to Debt Adjusted Cash Flow <sup>(1, 2, 3)</sup>	1.8x		1.8x	
Debt to Adjusted EBITDA <sup>(1, 2, 3)</sup>	1.9x		1.9x	
Debt to Adjusted Capitalization <sup>(1, 3)</sup>	34%		33%	

<sup>(1)</sup> Calculated using long-term debt, including current portion.

<sup>(2)</sup> Calculated on a trailing 12-month basis.

<sup>(3)</sup> A non-GAAP measure which is defined and calculated in the non-GAAP measures section of Encana's Management Discussion and Analysis.

Net Capital Investment	2012			2011					
	Year-to-date	Q2	Q1	Year	Q4	Q3	Q2 Year-to-date	Q2	Q1
<i>(\$ millions)</i>									
Capital Investment									
Canadian Division	838	323	515	2,031	399	535	1,097	469	628
USA Division	995	432	563	2,446	562	617	1,267	619	648
	1,833	755	1,078	4,477	961	1,152	2,364	1,088	1,276
Market Optimization	7	1	6	2	2	-	-	-	-
Corporate & Other	77	41	36	131	45	34	52	34	18
Capital Investment	1,917	797	1,120	4,610	1,008	1,186	2,416	1,122	1,294
Acquisitions									
Property									
Canadian Division	109	53	56	410	13	23	374	109	265
USA Division	219	122	97	105	34	28	43	42	1
Divestitures									
Property									
Canadian Division	(2,504)	(105)	(2,399)	(350)	(200)	(23)	(127)	(29)	(98)
USA Division	(190)	(76)	(114)	(1,730)	(1,385)	(32)	(313)	(14)	(299)
Corporate & Other	(2)	(2)	-	-	-	-	-	-	-
Net Acquisitions and Divestitures	(2,368)	(8)	(2,360)	(1,565)	(1,538)	(4)	(23)	108	(131)
Net Capital Investment	(451)	789	(1,240)	3,045	(530)	1,182	2,393	1,230	1,163

Production Volumes - After Royalties	2012			2011					
	Year-to-date	Q2	Q1	Year	Q4	Q3	Q2 Year-to-date	Q2	Q1
<i>(average daily)</i>									
Natural Gas (MMcf/d)									
Canadian Division	1,365	1,237	1,493	1,454	1,515	1,460	1,420	1,445	1,395
USA Division	1,672	1,565	1,779	1,879	1,944	1,905	1,833	1,864	1,801
	3,037	2,802	3,272	3,333	3,459	3,365	3,253	3,309	3,196
Oil & NGLs (Mbbbls/d)									
Canadian Division	18.1	16.9	19.2	14.5	13.9	15.1	14.6	14.8	14.3
USA Division	10.6	11.3	10.1	9.5	10.0	9.3	9.2	9.5	9.0
	28.7	28.2	29.3	24.0	23.9	24.4	23.8	24.3	23.3

## Supplemental Oil and Gas Operating Statistics *(unaudited)*

### Operating Statistics - After Royalties

#### Per-unit Results, Excluding the Impact of Realized Financial Hedging

	2012			2011					
	Year-to-date	Q2	Q1	Year	Q4	Q3	Q2 Year-to-date	Q2	Q1
<b>Natural Gas - Canadian Division (\$/Mcf)</b>									
Price	2.33	2.05	2.56	3.79	3.44	3.89	3.92	3.97	3.87
Production and mineral taxes	-	0.01	(0.01)	0.02	0.02	0.02	0.02	0.02	0.02
Transportation and processing <sup>(1)</sup>	1.12	1.31	0.97	0.91	0.88	0.86	0.95	1.02	0.88
Operating <sup>(1)</sup>	0.69	0.71	0.68	0.68	0.70	0.60	0.70	0.58	0.83
Netback	0.52	0.02	0.92	2.18	1.84	2.41	2.25	2.35	2.14
<b>Natural Gas - USA Division (\$/Mcf)</b>									
Price	2.73	2.41	3.00	4.47	3.95	4.64	4.66	4.76	4.56
Production and mineral taxes	0.06	0.03	0.08	0.23	0.20	0.21	0.26	0.25	0.26
Transportation and processing	1.05	1.04	1.07	1.06	1.01	1.03	1.11	1.15	1.06
Operating	0.59	0.56	0.61	0.62	0.59	0.53	0.68	0.59	0.77
Netback	1.03	0.78	1.24	2.56	2.15	2.87	2.61	2.77	2.47
<b>Natural Gas - Total (\$/Mcf)</b>									
Price	2.55	2.25	2.80	4.17	3.73	4.32	4.34	4.42	4.26
Production and mineral taxes	0.03	0.02	0.04	0.14	0.12	0.13	0.15	0.15	0.16
Transportation and processing	1.09	1.16	1.02	0.99	0.95	0.96	1.04	1.08	0.98
Operating	0.64	0.63	0.64	0.64	0.64	0.56	0.69	0.59	0.80
Netback	0.79	0.44	1.10	2.40	2.02	2.67	2.46	2.60	2.32
<b>Liquids - Canadian Division (\$/bbl)</b>									
Price	78.33	76.47	79.96	85.41	86.52	84.05	85.59	92.10	78.73
Production and mineral taxes	1.85	1.28	2.36	0.90	1.23	0.64	0.87	0.62	1.14
Transportation and processing <sup>(1)</sup>	1.06	1.18	0.95	1.45	1.24	1.42	1.56	1.77	1.34
Operating <sup>(1)</sup>	1.40	1.68	1.15	1.23	1.44	1.08	1.22	1.04	1.38
Netback	74.02	72.33	75.50	81.83	82.61	80.91	81.94	88.67	74.87
<b>Liquids - USA Division (\$/bbl)</b>									
Price	88.44	86.11	91.05	85.28	83.93	79.81	88.82	93.53	83.81
Production and mineral taxes	7.71	7.17	8.33	7.54	6.98	5.85	8.71	9.38	8.00
Transportation and processing	0.14	0.09	0.20	0.08	0.24	0.08	-	-	-
Operating	4.13	5.52	2.59	0.70	2.04	0.61	-	-	-
Netback	76.46	73.33	79.93	76.96	74.67	73.27	80.11	84.15	75.81
<b>Liquids - Total (\$/bbl)</b>									
Price	82.08	80.32	83.77	85.36	85.44	82.43	86.85	92.66	80.70
Production and mineral taxes	4.03	3.63	4.41	3.52	3.64	2.63	3.92	4.03	3.80
Transportation and processing	0.72	0.75	0.69	0.92	0.81	0.91	0.96	1.09	0.81
Operating	2.41	3.21	1.65	1.02	1.69	0.90	0.73	0.63	0.85
Netback	74.92	72.73	77.02	79.90	79.30	77.99	81.24	86.91	75.24

#### Impact of Realized Financial Hedging

	2012			2011					
	Year-to-date	Q2	Q1	Year	Q4	Q3	Q2 Year-to-date	Q2	Q1
<b>Natural Gas (\$/Mcf)</b>									
Canadian Division	2.10	2.61	1.69	0.69	0.93	0.57	0.61	0.59	0.64
USA Division	2.16	2.49	1.86	0.87	1.15	0.78	0.77	0.73	0.81
Total	2.13	2.54	1.78	0.79	1.06	0.69	0.70	0.67	0.74

<sup>(1)</sup> The Canadian Division per-unit results for transportation and processing expenses and operating expenses have been updated to present processing costs with transportation expense. Formerly these processing costs were presented in operating expenses. Encana has updated its presentation as a result of the Canadian Division entering into firm gathering and processing agreements with the divestiture of its two natural gas processing plants during the first quarter of 2012. Encana believes the nature of processing costs more closely align with transportation expense.

## Supplemental Oil and Gas Operating Statistics *(unaudited)*

### Operating Statistics - After Royalties (continued)

#### Per-unit Results, Including the Impact of Realized Financial Hedging

	2012			2011					
	Year-to-date	Q2	Q1	Year	Q4	Q3	Q2 Year-to-date	Q2	Q1
Natural Gas Price (\$/Mcf)									
Canadian Division	<b>4.43</b>	<b>4.66</b>	4.25	4.48	4.37	4.46	4.53	4.56	4.51
USA Division	<b>4.89</b>	<b>4.90</b>	4.86	5.34	5.10	5.42	5.43	5.49	5.37
Total	<b>4.68</b>	<b>4.79</b>	4.58	4.96	4.79	5.01	5.04	5.09	5.00
Natural Gas Netback (\$/Mcf)									
Canadian Division	<b>2.62</b>	<b>2.63</b>	2.61	2.87	2.77	2.98	2.86	2.94	2.78
USA Division	<b>3.19</b>	<b>3.27</b>	3.10	3.43	3.30	3.65	3.38	3.50	3.28
Total	<b>2.92</b>	<b>2.98</b>	2.88	3.19	3.08	3.36	3.16	3.27	3.06
Liquids Price <sup>(1)</sup> (\$/bbl)									
Canadian Division	<b>78.33</b>	<b>76.47</b>	79.96	85.41	86.52	84.05	85.59	92.10	78.73
USA Division	<b>88.44</b>	<b>86.11</b>	91.05	85.28	83.93	79.81	88.82	93.53	83.81
Total	<b>82.08</b>	<b>80.32</b>	83.77	85.36	85.44	82.43	86.85	92.66	80.70
Liquids Netback <sup>(1)</sup> (\$/bbl)									
Canadian Division	<b>74.02</b>	<b>72.33</b>	75.50	81.83	82.61	80.91	81.94	88.67	74.87
USA Division	<b>76.46</b>	<b>73.33</b>	79.93	76.96	74.67	73.27	80.11	84.15	75.81
Total	<b>74.92</b>	<b>72.73</b>	77.02	79.90	79.30	77.99	81.24	86.91	75.24

<sup>(1)</sup> The Company has not settled any oil hedges during the periods presented. Accordingly, the per-unit results including the impact of realized financial hedging are equivalent to the per-unit results excluding financial hedging.

## Supplemental Oil and Gas Operating Statistics *(unaudited)*

### Results by Key Area

	Three months ended June 30							
	Natural Gas Production (MMcf/d)		Oil & NGLs Production (Mbbls/d)		Capital (\$ millions)		Drilling Activity (net wells drilled)	
	2012	2011	2012	2011	2012	2011	2012	2011
Canadian Division								
Greater Sierra	142	261	0.3	0.9	47	73	-	13
Cutbank Ridge	377	428	1.5	1.0	35	105	7	12
Peace River Arch	99	90	2.5	1.8	52	44	7	5
Bighorn	263	235	3.4	3.7	63	92	9	8
Coalbed Methane	353	431	9.0	7.4	14	22	-	-
Key Resource Plays	1,234	1,445	16.7	14.8	211	336	23	38
Emerging Plays and Other	3	-	0.2	-	112	133	2	-
Total Canadian Division	1,237	1,445	16.9	14.8	323	469	25	38
USA Division								
Jonah	426	472	4.0	4.4	25	70	7	18
Piceance	470	417	2.0	1.9	112	111	35	36
Texas	158	397	-	0.2	16	82	-	16
Haynesville	418	487	0.1	-	90	269	4	23
Key Resource Plays	1,472	1,773	6.1	6.5	243	532	46	93
Emerging Plays and Other	93	91	5.2	3.0	189	87	14	14
Total USA Division	1,565	1,864	11.3	9.5	432	619	60	107

	Six months ended June 30							
	Natural Gas Production (MMcf/d)		Oil & NGLs Production (Mbbls/d)		Capital (\$ millions)		Drilling Activity (net wells drilled)	
	2012	2011	2012	2011	2012	2011	2012	2011
Canadian Division								
Greater Sierra	187	254	0.5	0.9	91	213	6	22
Cutbank Ridge	426	416	1.3	1.1	115	190	14	23
Peace River Arch	109	94	2.6	1.8	109	71	13	6
Bighorn	245	226	4.5	3.6	185	216	20	21
Coalbed Methane	397	429	9.1	7.2	77	169	83	320
Key Resource Plays	1,364	1,419	18.0	14.6	577	859	136	392
Emerging Plays and Other	1	1	0.1	-	261	238	3	-
Total Canadian Division	1,365	1,420	18.1	14.6	838	1,097	139	392
USA Division								
Jonah	437	478	4.1	4.4	74	164	21	43
Piceance	479	415	1.8	1.9	218	189	74	65
Texas	179	400	0.1	0.2	45	211	3	33
Haynesville	481	450	0.1	-	275	527	16	45
Key Resource Plays	1,576	1,743	6.1	6.5	612	1,091	114	186
Emerging Plays and Other	96	90	4.5	2.7	383	176	39	26
Total USA Division	1,672	1,833	10.6	9.2	995	1,267	153	212