



Encana Corporation

Pro Forma Financial Information
(unaudited)

For the period ended December 31, 2009

U.S. Dollars / U.S. Protocol

Pro Forma Consolidated Statement of Earnings *(unaudited)*

(\$ millions, except per share amounts)	Year	2009			
		Q4	Q3	Q2	Q1
Revenues, Net of Royalties	(Note 3) \$ 6,732	\$ 1,786	\$ 1,167	\$ 1,333	\$ 2,446
Expenses	(Note 3)				
Production and mineral taxes	132	41	19	21	51
Transportation and selling	684	182	179	163	160
Operating	1,008	272	240	236	260
Purchased product	820	185	179	159	297
Depreciation, depletion and amortization	2,770	708	667	686	709
Administrative	359	96	113	87	63
Interest, net	371	126	97	80	68
Accretion of asset retirement obligation	37	10	9	10	8
Foreign exchange (gain) loss, net	(312)	1	(233)	(179)	99
(Gain) loss on divestitures	2	1	(1)	3	(1)
Net Earnings Before Income Tax	861	164	(102)	67	732
Income tax expense	112	(69)	(49)	(25)	255
Net Earnings (Loss)	\$ 749	\$ 233	\$ (53)	\$ 92	\$ 477
Net Earnings (Loss) per Common Share	(Note 2)				
Basic	\$ 1.00	\$ 0.31	\$ (0.07)	\$ 0.12	\$ 0.64
Diluted	\$ 1.00	\$ 0.31	\$ (0.07)	\$ 0.12	\$ 0.63

Pro Forma Consolidated Statement of Cash From Operating Activities *(unaudited)*

(\$ millions)	Year	2009			
		Q4	Q3	Q2	Q1
Operating Activities					
Net earnings (loss)	\$ 749	\$ 233	\$ (53)	\$ 92	\$ 477
Depreciation, depletion and amortization	2,770	708	667	686	709
Future income taxes	(438)	(279)	(187)	(108)	136
Unrealized (gain) loss on risk management	2,066	199	1,042	868	(43)
Unrealized foreign exchange (gain) loss	(508)	(148)	(227)	(198)	65
Accretion of asset retirement obligation	37	10	9	10	8
(Gain) loss on divestitures	2	1	(1)	3	(1)
Other	343	206	24	77	36
Net change in other assets and liabilities	38	(5)	13	13	17
Net change in non-cash working capital	(18)	136	128	(322)	40
Cash From Operating Activities	\$ 5,041	\$ 1,061	\$ 1,415	\$ 1,121	\$ 1,444

Notes to Pro Forma Consolidated Statements of Earnings and Cash from Operating Activities *(unaudited)*

1. Basis of Presentation

On November 30, 2009, Encana Corporation ("Encana") completed a corporate reorganization (the "Split Transaction") involving the division of Encana into two independent publicly traded energy companies – Encana and Cenovus Energy Inc. The unaudited Pro Forma Consolidated Statement of Earnings and Pro Forma Consolidated Statement of Cash from Operating Activities have been prepared for information purposes and assumes the Split Transaction occurred on January 1, 2008. Pro forma adjustments are detailed in Note 2.

The unaudited Pro Forma Consolidated Statement of Earnings and Pro Forma Consolidated Statement of Cash from Operating Activities are expressed in United States dollars and have been prepared for information purposes using information contained in the following:

- a) Encana's audited Consolidated Financial Statements for the year ended December 31, 2009.
- b) Cenovus Energy unaudited Carve-out Consolidated Financial Statements for the 11 months ended November 30, 2009. The Cenovus unaudited Carve-out Consolidated Financial Statements were derived from the accounting records of Encana on a carve-out basis.

In the opinion of Management of Encana, the unaudited Pro Forma Consolidated Financial Statements include all the adjustments necessary for fair presentation in accordance with Canadian generally accepted accounting principles.

The unaudited Pro Forma Statement of Earnings and Pro Forma Consolidated Statement of Cash from Operating Activities are for illustrative purposes only and may not be indicative of the results that actually would have occurred if the Split Transaction had been in effect on the dates indicated or of the results that may be obtained in the future. In addition to the pro forma adjustments to the historical carve-out financial statements, various other factors will have an effect on the results of operations.

2. Pro Forma Assumptions and Adjustments

The following adjustments reflect expected changes to Encana's historical results which would arise from the Split Transaction.

- A. Reflects the expected difference in depreciation, depletion and amortization expense arising from a change in the depletion rate calculated for Encana's Canadian cost centre.
- B. Increases administrative expense for additional compensation costs arising from the separation of compensation plans and the estimated increase in the number of employees required to operate Encana as a separate entity, after removing those costs associated with Cenovus's employees.
- C. Reduces administrative expense to remove Encana's share of the transaction costs incurred related to the Split Transaction.
- D. Pro forma adjustments to income tax expense,
 - i. adjustments for the tax effect of items A, B and C above;
 - ii. adjustments for the effect of the loss of tax deferrals resulting from the wind up of Encana's Canadian upstream oil and gas partnership;
 - iii. acceleration of the intangible drilling costs deduction in the U.S. as a result of a change in the status of Encana being considered an independent producer; and
 - iv. remove tax benefits solely resulting from the Split Transaction.
- E. The Pro Forma Net Earnings per Common Share is calculated using the same weighted average number of pre-Arrangement Encana Common Shares outstanding as follows:

<i>(millions)</i>	Year	2009			
		Q4	Q3	Q2	Q1
Weighted Average Common Shares Outstanding - Basic	751.0	751.3	751.2	751.0	750.5
Effects of Stock Options and Other Dilutive Securities	0.4	0.1	0.2	0.4	0.9
Weighted Average Common Shares Outstanding - Diluted	751.4	751.4	751.4	751.4	751.4

Notes to Pro Forma Consolidated Statements of Earnings and Cash from Operating Activities (unaudited)

(All amounts in \$ millions unless otherwise specified)

3. Segmented Information

Results of Operations

Segment and Geographic Information

	Canada					USA				
	Year	Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Revenues, Net of Royalties	\$ 3,362	691	849	907	915	\$ 4,537	1,076	1,161	1,126	1,174
Expenses										
Production and mineral taxes	14	1	2	6	5	118	40	17	15	46
Transportation and selling	154	39	40	38	37	530	143	139	125	123
Operating	536	147	126	133	130	434	120	100	99	115
Purchased product	-	-	-	-	-	-	-	-	-	-
	2,658	504	681	730	743	3,455	773	905	887	890
Depreciation, depletion and amortization	1,096	260	275	288	273	1,561	393	373	379	416
Segment Income (Loss)	\$ 1,562	244	406	442	470	\$ 1,894	380	532	508	474

	Market Optimization					Corporate & Other				
	Year	Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Revenues, Net of Royalties	\$ 861	196	191	166	308	\$ (2,028)	(177)	(1,034)	(866)	49
Expenses										
Production and mineral taxes	-	-	-	-	-	-	-	-	-	-
Transportation and selling	-	-	-	-	-	-	-	-	-	-
Operating	16	-	7	4	5	22	5	7	-	10
Purchased product	820	185	179	159	297	-	-	-	-	-
	25	11	5	3	6	(2,050)	(182)	(1,041)	(866)	39
Depreciation, depletion and amortization	10	2	3	2	3	103	53	16	17	17
Segment Income (Loss)	\$ 15	9	2	1	3	\$ (2,153)	(235)	(1,057)	(883)	22

	Consolidated				
	Year	Q4	Q3	Q2	Q1
Revenues, Net of Royalties	\$ 6,732	1,786	1,167	1,333	2,446
Expenses					
Production and mineral taxes	132	41	19	21	51
Transportation and selling	684	182	179	163	160
Operating	1,008	272	240	236	260
Purchased product	820	185	179	159	297
	4,088	1,106	550	754	1,678
Depreciation, depletion and amortization	2,770	708	667	686	709
Segment Income (Loss)	1,318	398	(117)	68	969
Administrative	359	96	113	87	63
Interest, net	371	126	97	80	68
Accretion of asset retirement obligation	37	10	9	10	8
Foreign exchange (gain) loss, net	(312)	1	(233)	(179)	99
(Gain) loss on divestitures	2	1	(1)	3	(1)
	457	234	(15)	1	237
Net Earnings Before Income Tax	861	164	(102)	67	732
Income tax expense	112	(69)	(49)	(25)	255
Net Earnings (Loss)	\$ 749	233	(53)	92	477

Notes to Pro Forma Consolidated Statements of Earnings and Cash from Operating Activities *(unaudited)*

(All amounts in \$ millions unless otherwise specified)

3. Segmented Information (continued)

Results of Operations

Product and Divisional Information

	Canadian Division *									
	Year	Gas				Oil & NGLs				
		Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Revenues, Net of Royalties	\$ 3,041	609	761	823	848	\$ 277	69	77	74	57
Expenses										
Production and mineral taxes	11	-	2	5	4	3	1	-	1	1
Transportation and selling	148	39	38	37	34	6	-	2	1	3
Operating	501	139	118	124	120	21	4	5	6	6
Operating Cash Flow	\$ 2,381	431	603	657	690	\$ 247	64	70	66	47

	Canadian Division *									
	Year	Other				Total				
		Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Revenues, Net of Royalties	\$ 44	13	11	10	10	\$ 3,362	691	849	907	915
Expenses										
Production and mineral taxes	-	-	-	-	-	14	1	2	6	5
Transportation and selling	-	-	-	-	-	154	39	40	38	37
Operating	14	4	3	3	4	536	147	126	133	130
Operating Cash Flow	\$ 30	9	8	7	6	\$ 2,658	504	681	730	743

	USA Division									
	Year	Gas				Oil & NGLs				
		Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Revenues, Net of Royalties	\$ 4,222	976	1,084	1,044	1,118	\$ 201	69	53	50	29
Expenses										
Production and mineral taxes	100	34	12	11	43	18	6	5	4	3
Transportation and selling	530	143	139	125	123	-	-	-	-	-
Operating	327	90	78	77	82	-	-	-	-	-
Operating Cash Flow	\$ 3,265	709	855	831	870	\$ 183	63	48	46	26

	USA Division									
	Year	Other				Total				
		Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1
Revenues, Net of Royalties	\$ 114	31	24	32	27	\$ 4,537	1,076	1,161	1,126	1,174
Expenses										
Production and mineral taxes	-	-	-	-	-	118	40	17	15	46
Transportation and selling	-	-	-	-	-	530	143	139	125	123
Operating	107	30	22	22	33	434	120	100	99	115
Operating Cash Flow	\$ 7	1	2	10	(6)	\$ 3,455	773	905	887	890

* Formerly known as the Canadian Foothills Division.