



Encana Corporation

Interim Supplemental Information  
*(unaudited)*

For the period ended March 31, 2010

U.S. Dollars / U.S. Protocol

## Supplemental Financial Information *(unaudited)*

### Financial Results

(\$ millions, except per share amounts)	2010	2009 <sup>(1)</sup>				
	Q1	Year	Q4	Q3	Q2	Q1
<b>Encana Results</b>						
Cash Flow <sup>(2)</sup>	1,173	5,021	930	1,274	1,430	1,387
Per share - Diluted	1.57	6.68	1.24	1.70	1.90	1.85
Net Earnings	1,477	749	233	(53)	92	477
Per share - Diluted	1.97	1.00	0.31	(0.07)	0.12	0.63
Operating Earnings <sup>(3)</sup>	418	1,767	373	378	472	544
Per share - Diluted	0.56	2.35	0.50	0.50	0.63	0.72
Effective Tax Rates using						
Net Earnings	22.9%	13.0%				
Canadian Statutory Rate	28.2%	29.2%				
Foreign Exchange Rates (US\$ per C\$1)						
Average	0.961	0.876	0.947	0.911	0.857	0.803
Period end	0.985	0.956	0.956	0.933	0.860	0.794
<b>Cash Flow Summary</b>						
Cash from Operating Activities	(772)	5,041	1,061	1,415	1,121	1,444
Deduct (Add back):						
Net change in other assets and liabilities	(31)	38	(5)	13	13	17
Net change in non-cash working capital from continuing operations	(1,914)	(18)	136	128	(322)	40
Cash Flow <sup>(2)</sup>	1,173	5,021	930	1,274	1,430	1,387
<b>Operating Earnings Summary</b>						
Net Earnings	1,477	749	233	(53)	92	477
Deduct (Add back):						
Unrealized mark-to-market accounting gain (loss), after-tax	912	(1,352)	(135)	(685)	(570)	38
Non-operating foreign exchange gain (loss), after-tax	147	334	(5)	254	190	(105)
Operating Earnings <sup>(3)</sup>	418	1,767	373	378	472	544

<sup>(1)</sup> 2009 reflects pro forma results.

<sup>(2)</sup> Cash Flow is a non-GAAP measure defined as Cash from Operating Activities excluding net change in other assets and liabilities and net change in non-cash working capital from continuing operations, both of which are defined on the Consolidated Statement of Cash from Operating Activities.

<sup>(3)</sup> Operating Earnings is a non-GAAP measure defined as Net Earnings excluding the after-tax gain/loss on discontinuance, after-tax effect of unrealized mark-to-market accounting gains/losses on derivative instruments, after-tax gains/losses on translation of U.S. dollar denominated debt issued from Canada, after-tax foreign exchange gains/losses on settlement of intercompany transactions, future income tax on foreign exchange recognized for tax purposes only related to U.S. dollar intercompany debt and the effect of changes in statutory income tax rates.

Financial Metrics	2010	2009
Debt to Capitalization <sup>(1)</sup>	30%	32%
Debt to Adjusted EBITDA <sup>(1, 2)</sup>	1.6x	2.1x
Return on Capital Employed <sup>(1, 2)</sup>	8%	4%
Return on Common Equity <sup>(2)</sup>	10%	5%

<sup>(1)</sup> Calculated using Debt defined as the current and long-term portions of Long-Term Debt.

<sup>(2)</sup> Calculated on a trailing twelve-month basis using available 2009 pro forma results.

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

Net Capital Investment (\$ millions)	2010		2009 <sup>(1)</sup>			
	Q1	Year	Q4	Q3	Q2	Q1
Capital Investment						
Canadian Division	543	1,869	575	432	325	537
USA Division	472	1,821	515	358	374	574
	1,015	3,690	1,090	790	699	1,111
Market Optimization	-	-	-	-	1	(1)
Corporate & Other	5	65	37	4	13	11
Capital Investment	1,020	3,755	1,127	794	713	1,121
<b>Acquisitions</b>						
Property						
Canadian Division	13	190	108	8	1	73
USA Division	15	46	25	7	8	6
Corporate						
Canadian Division <sup>(2)</sup>	-	24	-	-	24	-
<b>Divestitures</b>						
Property						
Canadian Division	(9)	(1,000)	(43)	(913)	(11)	(33)
USA Division	(137)	(73)	(3)	(66)	(4)	-
Corporate & Other	-	(2)	-	-	(2)	-
Net Acquisition and Divestiture Activity	(118)	(815)	87	(964)	16	46
Net Capital Investment	902	2,940	1,214	(170)	729	1,167

<sup>(1)</sup> 2009 reflects pro forma results.

<sup>(2)</sup> Acquisition of Kerogen Resources Canada, ULC on May 5, 2009.

Production Volumes	2010		2009 <sup>(1)</sup>			
	Q1	Year	Q4	Q3	Q2	Q1
Produced Gas (MMcf/d)						
Canadian Division	1,177	1,224	1,071	1,201	1,343	1,281
USA Division	1,946	1,616	1,616	1,524	1,581	1,746
	3,123	2,840	2,687	2,725	2,924	3,027
Liquids (bbls/d)						
Canadian Division	13,558	15,880	12,477	15,909	17,624	17,567
USA Division	10,108	11,317	11,586	10,325	11,699	11,671
	23,666	27,197	24,063	26,234	29,323	29,238
Total (MMcfe/d)						
Canadian Division	1,258	1,319	1,145	1,297	1,449	1,387
USA Division	2,007	1,684	1,686	1,586	1,651	1,816
	3,265	3,003	2,831	2,883	3,100	3,203

<sup>(1)</sup> 2009 reflects pro forma results.

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

### Operating Statistics - After Royalties

<b>Per-unit Results</b> <i>(excluding impact of realized financial hedging)</i>	<b>2010</b>		<b>2009</b> <sup>(1)</sup>			
	<b>Q1</b>	<b>Year</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
<b>Produced Gas - Canadian Division (\$/Mcf)</b>						
Price	<b>5.21</b>	3.71	4.21	2.92	3.19	4.58
Production and mineral taxes	<b>0.01</b>	0.03	-	0.02	0.04	0.03
Transportation and selling	<b>0.41</b>	0.33	0.40	0.35	0.30	0.30
Operating	<b>1.20</b>	1.13	1.43	1.09	1.02	1.04
Netback	<b>3.59</b>	2.22	2.38	1.46	1.83	3.21
<b>Produced Gas - USA Division (\$/Mcf)</b>						
Price	<b>5.78</b>	3.75	4.64	3.41	3.01	3.88
Production and mineral taxes	<b>0.35</b>	0.17	0.23	0.08	0.08	0.27
Transportation and selling	<b>0.95</b>	0.90	0.96	0.99	0.87	0.78
Operating	<b>0.48</b>	0.55	0.61	0.56	0.54	0.51
Netback	<b>4.00</b>	2.13	2.84	1.78	1.52	2.32
<b>Produced Gas - Total (\$/Mcf)</b>						
Price	<b>5.56</b>	3.73	4.47	3.19	3.09	4.18
Production and mineral taxes	<b>0.22</b>	0.11	0.14	0.06	0.06	0.17
Transportation and selling	<b>0.74</b>	0.66	0.74	0.71	0.61	0.58
Operating	<b>0.75</b>	0.80	0.93	0.79	0.76	0.74
Netback	<b>3.85</b>	2.16	2.66	1.63	1.66	2.69
<b>Liquids - Canadian Division (\$/bbl)</b>						
Price	<b>67.71</b>	47.86	60.37	52.48	45.86	36.51
Production and mineral taxes	<b>0.35</b>	0.45	0.34	0.48	0.47	0.47
Transportation and selling	<b>0.53</b>	1.06	0.49	1.41	0.62	1.61
Operating	<b>4.67</b>	3.62	3.25	3.04	4.09	3.94
Netback	<b>62.16</b>	42.73	56.29	47.55	40.68	30.49
<b>Liquids - USA Division (\$/bbl)</b>						
Price	<b>67.18</b>	48.56	64.39	55.60	47.27	27.43
Production and mineral taxes	<b>6.25</b>	4.39	5.84	5.12	4.18	2.48
Transportation and selling	-	-	-	-	-	-
Netback	<b>60.93</b>	44.17	58.55	50.48	43.09	24.95
<b>Total Liquids (\$/bbl)</b>						
Price	<b>67.48</b>	48.15	62.31	53.71	46.42	32.88
Production and mineral taxes	<b>2.87</b>	2.09	2.99	2.31	1.95	1.27
Transportation and selling	<b>0.30</b>	0.62	0.26	0.85	0.38	0.96
Operating	<b>2.67</b>	2.11	1.68	1.84	2.46	2.37
Netback	<b>61.64</b>	43.33	57.38	48.71	41.63	28.28
<b>Total Netback - Canadian Division (\$/Mcf)</b>						
Price	<b>5.60</b>	4.02	4.59	3.36	3.51	4.70
Production and mineral taxes	<b>0.01</b>	0.03	0.01	0.02	0.04	0.04
Transportation and selling	<b>0.39</b>	0.32	0.38	0.34	0.28	0.30
Operating	<b>1.17</b>	1.09	1.37	1.05	0.99	1.01
Netback	<b>4.03</b>	2.58	2.83	1.95	2.20	3.35
<b>Total Netback - USA Division (\$/Mcf)</b>						
Price	<b>5.94</b>	3.92	4.89	3.64	3.21	3.91
Production and mineral taxes	<b>0.38</b>	0.19	0.26	0.11	0.10	0.28
Transportation and selling	<b>0.92</b>	0.86	0.92	0.95	0.83	0.75
Operating	<b>0.46</b>	0.53	0.58	0.54	0.52	0.49
Netback	<b>4.18</b>	2.34	3.13	2.04	1.76	2.39
<b>Total Netback (\$/Mcf)</b>						
Price	<b>5.81</b>	3.96	4.77	3.51	3.35	4.25
Production and mineral taxes	<b>0.23</b>	0.12	0.16	0.07	0.08	0.17
Transportation and selling	<b>0.71</b>	0.63	0.70	0.68	0.58	0.56
Operating <sup>(2)</sup>	<b>0.74</b>	0.78	0.90	0.76	0.74	0.72
Netback	<b>4.13</b>	2.43	3.01	2.00	1.95	2.80

<sup>(1)</sup> 2009 results reflect pro forma results.

<sup>(2)</sup> 2010 operating costs include a recovery of costs related to long-term incentives of \$0.05/Mcfe (2009 - recovery of costs of \$0.01/Mcfe).

<b>Impact of Realized Financial Hedging</b>	<b>2010</b>		<b>2009</b> <sup>(1)</sup>			
	<b>Q1</b>	<b>Year</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
Natural Gas (\$/Mcf)	<b>0.58</b>	3.30	1.97	4.25	3.93	3.04
Liquids (\$/bbl)	<b>(0.41)</b>	(0.01)	-	-	-	(0.03)
Total (\$/Mcfe)	<b>0.55</b>	3.12	1.87	4.02	3.70	2.87

<sup>(1)</sup> 2009 results reflects pro forma results.

## Supplemental Financial Information

The following Pro Forma Information presents selected historical pro forma financial and operating information related to the ongoing operations of Encana Corporation ("Encana"). The information excludes the results of operations from assets transferred to Cenovus Energy Inc. on November 30, 2009; See Note 3 to the December 31, 2009 Annual Consolidated Financial Statements.

For background on the pro forma information please refer to Note 1 - Basis of Presentation in the Notes to Encana Pro Forma Consolidated Statements of Earnings and Cash from Operating Activities.

### Pro Forma Consolidated Statement of Earnings *(unaudited)*

For the three months ended March 31, 2009

<i>(\$ millions, except per share amounts)</i>	Encana Consolidated	Deduct Cenovus Carve-out	Add/(Deduct) Pro Forma Adjustments	Note 2	Encana Pro Forma
<b>Revenues, Net of Royalties</b>	\$ 3,682	\$ 1,236	\$		\$ 2,446
<b>Expenses</b>					
Production and mineral taxes	61	10			51
Transportation and selling	293	133			160
Operating	435	175			260
Purchased product	460	163			297
Depreciation, depletion and amortization	932	253	30	(A)	709
Administrative	79	27	12	(B)	63
			(1)	(C)	
Interest, net	58	(10)			68
Accretion of asset retirement obligation	17	9			8
Foreign exchange (gain) loss, net	58	(41)			99
(Gain) loss on divestitures	(1)	-			(1)
<b>Net Earnings Before Income Tax</b>	1,290	517	(41)		732
Income tax expense	299	76	32	(D i,ii,iii,iv)	255
<b>Net Earnings from Continuing Operations</b>	991	441	(73)		477
<b>Net Earnings (Loss) from Discontinued Operations</b>	(29)	(29)	-		-
<b>Net Earnings</b>	\$ 962	\$ 412	\$ (73)		\$ 477
<b>Net Earnings from Continuing Operations per Common Share</b>				(E)	
Basic	\$ 1.32				\$ 0.64
Diluted	\$ 1.32				\$ 0.63
<b>Net Earnings per Common Share</b>				(E)	
Basic	\$ 1.28				\$ 0.64
Diluted	\$ 1.28				\$ 0.63

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

For the three months ended March 31, 2009

<i>(\$ millions)</i>	Encana Consolidated	Deduct Cenovus Carve-out	Add/(Deduct) Pro Forma Adjustments	Note 2	Encana Pro Forma
<b>Operating Activities</b>					
Net earnings from continuing operations	\$ 991	\$ 441	\$ (73)		\$ 477
Depreciation, depletion and amortization	932	253	30	(A)	709
Future income taxes	60	5	81	(D i,ii,iii,iv)	136
Unrealized (gain) loss on risk management	(111)	(68)			(43)
Unrealized foreign exchange (gain) loss	20	(45)			65
Accretion of asset retirement obligation	17	9			8
(Gain) loss on divestitures	(1)	-			(1)
Other	37	1			36
Cash flow from discontinued operations	(1)	(1)			-
Net change in other assets and liabilities	15	(2)			17
Net change in non-cash working capital from continuing operations	(452)	(492)			40
Net change in non-cash working capital from discontinued operations	284	284			-
<b>Cash From Operating Activities</b>	\$ 1,791	\$ 385	\$ 38		\$ 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 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 Corporation Common Shares outstanding as at March 31, 2009.

<i>(millions)</i>	For the period ended March 31, 2009
Weighted Average Common Shares Outstanding - Basic	750.5
Effects of Stock Options and Other Dilutive Securities	0.9
<b>Weighted Average Common Shares Outstanding - Diluted</b>	<b>751.4</b>

## Supplemental Financial Information *(unaudited)*

### Pro Forma Reconciliations

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

	2009				
	Year	Q4	Q3	Q2	Q1
<b>Cash Flow <sup>(1)</sup></b>					
Encana Corporation, Consolidated	6,779	603	2,079	2,153	1,944
Less: Cenovus Carve-out <sup>(2)</sup>	2,232	(15)	841	811	595
Add/(Deduct) Pro Forma adjustments	474	312	36	88	38
Encana Pro Forma	5,021	930	1,274	1,430	1,387
Per share amounts					
Encana Corporation, Consolidated - Basic	9.03	0.80	2.77	2.87	2.59
- Diluted	9.02	0.80	2.77	2.87	2.59
Encana Pro Forma - Basic	6.69	1.24	1.70	1.90	1.85
- Diluted	6.68	1.24	1.70	1.90	1.85
<b>Net Earnings</b>					
Encana Corporation, Consolidated	1,862	636	25	239	962
Less: Cenovus Carve-out <sup>(2)</sup>	609	(15)	63	149	412
Add/(Deduct) Pro Forma adjustments	(504)	(418)	(15)	2	(73)
Encana Pro Forma	749	233	(53)	92	477
Per share amounts					
Encana Corporation, Consolidated - Basic	2.48	0.85	0.03	0.32	1.28
- Diluted	2.48	0.85	0.03	0.32	1.28
Encana Pro Forma - Basic	1.00	0.31	(0.07)	0.12	0.64
- Diluted	1.00	0.31	(0.07)	0.12	0.63
<b>Operating Earnings <sup>(3)</sup></b>					
Encana Corporation, Consolidated	3,495	855	775	917	948
Less: Cenovus Carve-out <sup>(2)</sup>	1,224	64	382	447	331
Add/(Deduct) Pro Forma adjustments	(504)	(418)	(15)	2	(73)
Encana Pro Forma	1,767	373	378	472	544
Per share amounts					
Encana Corporation, Consolidated - Diluted	4.65	1.14	1.03	1.22	1.26
Encana Pro Forma - Diluted	2.35	0.50	0.50	0.63	0.72

<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 from continuing operations and net change in non-cash working capital from discontinued operations, which are defined on the Consolidated Statement of Cash Flows.

<sup>(2)</sup> Cenovus Energy was spun-off on November 30, 2009. As a result, carve-out information for the fourth quarter is for the two months ended November 30, 2009 and the 2009 Year information is for the 11 months ended November 30, 2009.

<sup>(3)</sup> Operating Earnings is a non-GAAP measure defined as Net Earnings excluding the after-tax gain/loss on discontinuance, after-tax effect of unrealized mark-to-market accounting gains/losses on derivative instruments, after-tax gains/losses on translation of U.S. dollar denominated debt issued from Canada, after-tax foreign exchange gains/losses on settlement of intercompany transactions, future income tax on foreign exchange recognized for tax purposes only related to U.S. dollar intercompany debt and the effect of changes in statutory income tax rates.