



Encana Corporation

Interim Supplemental Information  
*(unaudited)*

For the period ended March 31, 2012

U.S. Dollars / U.S. Protocol

## Supplemental Financial Information *(unaudited)*

### Financial Results

(\$ millions, except per share amounts)	2012	2011				
	Q1	Year	Q4	Q3	Q2	Q1
Cash Flow <sup>(1)</sup>	<b>1,021</b>	4,216	983	1,181	1,089	963
Per share - Diluted <sup>(3)</sup>	<b>1.39</b>	5.72	1.33	1.60	1.48	1.31
Operating Earnings <sup>(2, 4)</sup>	<b>240</b>	1,191	232	389	352	218
Per share - Diluted <sup>(3, 4)</sup>	<b>0.33</b>	1.62	0.31	0.53	0.48	0.30
Net Earnings (Loss)	<b>12</b>	5	(476)	459	383	(361)
Per share - Diluted <sup>(3)</sup>	<b>0.02</b>	0.01	(0.65)	0.62	0.52	(0.49)
Effective Tax Rate using Net Earnings	<b>97.2%</b>	77.3%				
Canadian Statutory Rate	<b>25.0%</b>	26.5%				
Foreign Exchange Rates ( <i>US\$ per C\$1</i> )						
Average	<b>0.999</b>	1.012	0.978	1.020	1.033	1.015
Period end	<b>1.001</b>	0.983	0.983	0.963	1.037	1.029
<b>Cash Flow Summary</b>						
Cash From (Used in) Operating Activities	<b>617</b>	3,927	1,005	1,285	980	657
Deduct (Add back):						
Net change in other assets and liabilities	<b>(20)</b>	(160)	(30)	(26)	(75)	(29)
Net change in non-cash working capital	<b>(375)</b>	(15)	166	130	(34)	(277)
Cash tax on sale of assets	<b>(9)</b>	(114)	(114)	-	-	-
Cash Flow <sup>(1)</sup>	<b>1,021</b>	4,216	983	1,181	1,089	963
<b>Operating Earnings Summary</b>						
Net Earnings (Loss)	<b>12</b>	5	(476)	459	383	(361)
After-tax (addition) deduction:						
Unrealized hedging gain (loss)	<b>45</b>	600	397	273	18	(88)
Impairments	<b>-</b>	(1,687)	(1,105)	-	-	(582)
Non-operating foreign exchange gain (loss)	<b>86</b>	(99)	82	(325)	44	100
Estimated annual effective tax rate adjustments <sup>(4)</sup>	<b>(359)</b>	-	(82)	122	(31)	(9)
Operating Earnings <sup>(2, 4)</sup>	<b>240</b>	1,191	232	389	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:

(\$ millions)	2012	2011				
	Q1	Year	Q4	Q3	Q2	Q1
Weighted Average Common Shares Outstanding						
Basic	<b>736.3</b>	736.3	736.3	736.3	736.3	736.3
Diluted	<b>736.3</b>	737.2	736.8	737.6	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
	Q1	Year
Debt to Debt Adjusted Cash Flow <sup>(1, 2)</sup>	1.7x	1.8x
Debt to Adjusted EBITDA <sup>(1, 2)</sup>	1.7x	1.9x
Debt to Capitalization <sup>(1)</sup>	48%	49%

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

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

Net Capital Investment (\$ millions)	2012	2011				
	Q1	Year	Q4	Q3	Q2	Q1
Capital Investment						
Canadian Division	515	2,031	399	535	469	628
USA Division	563	2,446	562	617	619	648
	1,078	4,477	961	1,152	1,088	1,276
Market Optimization	6	2	2	-	-	-
Corporate & Other	36	131	45	34	34	18
Capital Investment	1,120	4,610	1,008	1,186	1,122	1,294
Acquisitions						
Property						
Canadian Division	56	410	13	23	109	265
USA Division	97	105	34	28	42	1
Divestitures						
Property						
Canadian Division	(2,399)	(350)	(200)	(23)	(29)	(98)
USA Division	(114)	(1,730)	(1,385)	(32)	(14)	(299)
Net Acquisitions and Divestitures	(2,360)	(1,565)	(1,538)	(4)	108	(131)
Net Capital Investment	(1,240)	3,045	(530)	1,182	1,230	1,163

Production Volumes - After Royalties	2012	2011				
	Q1	Year	Q4	Q3	Q2	Q1
<i>(average daily)</i>						
Natural Gas (MMcf/d)						
Canadian Division	1,493	1,454	1,515	1,460	1,445	1,395
USA Division	1,779	1,879	1,944	1,905	1,864	1,801
	3,272	3,333	3,459	3,365	3,309	3,196
Oil & NGLs (Mbbbls/d)						
Canadian Division	19.2	14.5	13.9	15.1	14.8	14.3
USA Division	10.1	9.5	10.0	9.3	9.5	9.0
	29.3	24.0	23.9	24.4	24.3	23.3

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

### Operating Statistics - After Royalties

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

	2012	2011				
	Q1	Year	Q4	Q3	Q2	Q1
<b>Natural Gas - Canadian Division (\$/Mcf)</b>						
Price	<b>2.56</b>	3.79	3.44	3.89	3.97	3.87
Production and mineral taxes	<b>(0.01)</b>	0.02	0.02	0.02	0.02	0.02
Transportation and processing <sup>(1)</sup>	<b>0.97</b>	0.91	0.88	0.86	1.02	0.88
Operating <sup>(1)</sup>	<b>0.68</b>	0.68	0.70	0.60	0.58	0.83
Netback	<b>0.92</b>	2.18	1.84	2.41	2.35	2.14
<b>Natural Gas - USA Division (\$/Mcf)</b>						
Price	<b>3.00</b>	4.47	3.95	4.64	4.76	4.56
Production and mineral taxes	<b>0.08</b>	0.23	0.20	0.21	0.25	0.26
Transportation and processing	<b>1.07</b>	1.06	1.01	1.03	1.15	1.06
Operating	<b>0.61</b>	0.62	0.59	0.53	0.59	0.77
Netback	<b>1.24</b>	2.56	2.15	2.87	2.77	2.47
<b>Natural Gas - Total (\$/Mcf)</b>						
Price	<b>2.80</b>	4.17	3.73	4.32	4.42	4.26
Production and mineral taxes	<b>0.04</b>	0.14	0.12	0.13	0.15	0.16
Transportation and processing	<b>1.02</b>	0.99	0.95	0.96	1.08	0.98
Operating	<b>0.64</b>	0.64	0.64	0.56	0.59	0.80
Netback	<b>1.10</b>	2.40	2.02	2.67	2.60	2.32
<b>Liquids - Canadian Division (\$/bbl)</b>						
Price	<b>79.96</b>	85.41	86.52	84.05	92.10	78.73
Production and mineral taxes	<b>2.36</b>	0.90	1.23	0.64	0.62	1.14
Transportation and processing <sup>(1)</sup>	<b>0.95</b>	1.45	1.24	1.42	1.77	1.34
Operating <sup>(1)</sup>	<b>1.15</b>	1.23	1.44	1.08	1.04	1.38
Netback	<b>75.50</b>	81.83	82.61	80.91	88.67	74.87
<b>Liquids - USA Division (\$/bbl)</b>						
Price	<b>91.05</b>	85.28	83.93	79.81	93.53	83.81
Production and mineral taxes	<b>8.33</b>	7.54	6.98	5.85	9.38	8.00
Transportation and processing	<b>0.20</b>	0.08	0.24	0.08	-	-
Operating	<b>2.59</b>	0.70	2.04	0.61	-	-
Netback	<b>79.93</b>	76.96	74.67	73.27	84.15	75.81
<b>Liquids - Total (\$/bbl)</b>						
Price	<b>83.77</b>	85.36	85.44	82.43	92.66	80.70
Production and mineral taxes	<b>4.41</b>	3.52	3.64	2.63	4.03	3.80
Transportation and processing	<b>0.69</b>	0.92	0.81	0.91	1.09	0.81
Operating	<b>1.65</b>	1.02	1.69	0.90	0.63	0.85
Netback	<b>77.02</b>	79.90	79.30	77.99	86.91	75.24

#### Impact of Realized Financial Hedging

	2012	2011				
	Q1	Year	Q4	Q3	Q2	Q1
<b>Natural Gas (\$/Mcf)</b>						
Canadian Division	<b>1.69</b>	0.69	0.93	0.57	0.59	0.64
USA Division	<b>1.86</b>	0.87	1.15	0.78	0.73	0.81
Total	<b>1.78</b>	0.79	1.06	0.69	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 three months ended March 31, 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 Impact of Realized Financial Hedging

	2012	2011				
	Q1	Year	Q4	Q3	Q2	Q1
Natural Gas Price (\$/Mcf)						
Canadian Division	<b>4.25</b>	4.48	4.37	4.46	4.56	4.51
USA Division	<b>4.86</b>	5.34	5.10	5.42	5.49	5.37
Total	<b>4.58</b>	4.96	4.79	5.01	5.09	5.00
Natural Gas Netback (\$/Mcf)						
Canadian Division	<b>2.61</b>	2.87	2.77	2.98	2.94	2.78
USA Division	<b>3.10</b>	3.43	3.30	3.65	3.50	3.28
Total	<b>2.88</b>	3.19	3.08	3.36	3.27	3.06
Liquids Price <sup>(1)</sup> (\$/bbl)						
Canadian Division	<b>79.96</b>	85.41	86.52	84.05	92.10	78.73
USA Division	<b>91.05</b>	85.28	83.93	79.81	93.53	83.81
Total	<b>83.77</b>	85.36	85.44	82.43	92.66	80.70
Liquids Netback <sup>(1)</sup> (\$/bbl)						
Canadian Division	<b>75.50</b>	81.83	82.61	80.91	88.67	74.87
USA Division	<b>79.93</b>	76.96	74.67	73.27	84.15	75.81
Total	<b>77.02</b>	79.90	79.30	77.99	86.91	75.24

<sup>(1)</sup> The Company did not have any oil hedges in place 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.