first quarter | 2008

EnCana generates first quarter cash flow of US$2.4 billion, or $3.17 per share – up 41 percent

Key resource play production up 17 percent

Calgary, Alberta, (April 22, 2008) – EnCana Corporation (TSX & NYSE: ECA) continued its strong performance in the first quarter with increases in cash flow and operating earnings driven by increased natural gas and liquids production and higher commodity prices.

"EnCana achieved outstanding operational and financial results during the first quarter putting the company well on track to achieve its 2008 forecast. These results continue to reinforce the strong value-generating capability of our sustainable, low-risk resource play strategy. EnCana has assembled an extensive portfolio of unconventional assets and our teams have a demonstrated track record of disciplined execution excellence while maintaining a focus on cost management," said Randy Eresman, EnCana's President & Chief Executive Officer.

"Our resource plays continue to deliver excellent performance, driven by our industry-leading positions in plays such as the Deep Bossier formation of East Texas, the emerging Montney formation of Cutbank Ridge in northeast British Columbia and Jonah in Wyoming. In addition, EnCana teams have recently achieved some promising exploration results in a number of North American shale plays, such as the Horn River in northeast B.C. We have built sizeable land positions in various emerging shale plays and believe that over time they have the potential to add significant depth to our very strong portfolio of natural gas assets across the North American unconventional fairway. We are clearly well positioned for the future."

First Quarter 2008 Highlights

(all year-over-year comparisons are to the first quarter of 2007)

Financial

- Cash flow increased 41 percent to $3.17 per share, or $2.4 billion
- Operating earnings were up 28 percent to $1.39 per share, or $1.0 billion
- Net earnings of 12 cents per share were down 81 percent to $93 million, primarily due to an unrealized mark-to-market loss on risk management activities of $737 million after-tax
- Operating cash flow generated from the integrated oil business totalled $170 million, comprised of $77 million from the upstream operations, a 64 percent increase due to strong field prices, and $93 million from the downstream business, a decrease of 15 percent, due to weaker refining margins
- Capital investment was in line with guidance. It was up 25 percent to $1.85 billion, primarily due to drilling a higher percentage of deep and longer reach wells
- Free cash flow increased $271 million to $540 million (free cash flow is defined in Note 1 on page 8)
- Realized natural gas prices were up 11 percent to $8.02 per thousand cubic feet (Mcf) and realized liquids prices increased 63 percent to $69.59 per barrel (bbl). These prices include financial hedges
- EnCana purchased 4.6 million shares at an average share price of $66.80 under the Normal Course Issuer Bid, for a total cost of $311 million
- Capital investment, operating expenses, administrative expenses and depreciation, depletion and amortization (DD&A) expense increased as a result of a 17 percent increase in the average value of the Canadian dollar versus the U.S. dollar
- Quarterly dividend doubled to 40 cents per share

Operating – Upstream

- Key resource play production was up 17 percent, with an 18 percent increase in natural gas production and oil production up 10 percent
- Total natural gas production increased 10 percent to 3.7 billion cubic feet per day (Bcf/d), up 14 percent per share
- Oil and natural gas liquids (NGLs) production increased 5 percent to 137,000 barrels per day (bbls/d), up 9 percent per share
- Integrated oil production grew 26 percent to 29,400 bbls/d at Foster Creek and Christina Lake
- Operating and administrative costs of $1.53 per thousand cubic feet equivalent (Mcfe), up 28 percent primarily due to higher long-term incentive costs as a result of a higher share price, as well as an appreciation of the value of the Canadian dollar compared to the U.S. dollar

Operating – Downstream

- Refined products averaged 435,000 bbls/d (217,500 bbls/d net to EnCana), down 5 percent due to a scheduled turnaround at the Wood River refinery in March, 2008
- Refinery crude utilization of 90 percent or 408,000 bbls/d crude throughput (204,000 bbls/d net to EnCana), down 6 percent primarily due to the Wood River turnaround

Natural gas production on track with 2008 forecast

Natural gas production increased 10 percent in the first quarter to 3.7 Bcf/d, strongly positioning EnCana to achieve full-year guidance of 3.8 Bcf/d. Gas production in the U.S. increased 27 percent, benefiting from incremental volumes from the Deep Bossier acquisition – which doubled EnCana's interest to 100 percent – and drilling programs in the East Texas, Jonah and Piceance resource plays. Production volumes in Canada remained relatively unchanged with increases in coalbed methane (CBM), Cutbank Ridge, Bighorn and Greater Sierra, offset by natural declines from Shallow Gas and conventional properties.

Integrated oil benefits from production increases and higher oil prices

The integrated oil business generated $170 million in operating cash flow, up from $161 million from the same quarter in 2007. The upstream business benefited from an average realized heavy oil price of $59.67 per bbl, up 79 percent from $33.28 per bbl. Operating cash flow from the downstream business was impacted by weaker refining margins. The Chicago 3-2-1 crack spread of $7.69 per bbl was down 40 percent from $12.90 per bbl. First quarter oil production at Foster Creek and Christina Lake was up 26 percent to 29,400 bbls/d (net to EnCana) from the same period last year. The weaker refining margins were offset by the higher upstream realized pricing, which highlights the benefit of the company's integration strategy.

Weyburn oil field becomes key resource play

EnCana has designated the Weyburn oil field in Saskatchewan, one of the largest oil fields in Canada, a key resource play. In addition to being a prolific oil field that has been producing for more than 50 years, Weyburn's enhanced oil recovery project is playing an important role in helping research underground storage of carbon dioxide (CO_2).

"This Weyburn oil field has caught the attention of the world as the largest operating CO_2 sequestration project. It is one of the most visited and most studied reservoirs anywhere, so much so that it was recently visited by Canadian Prime Minister Stephen Harper. It is a great example of a business and a technologically-driven solution that improves oil recovery while permanently storing CO_2, a greenhouse gas," Eresman said.

IMPORTANT NOTE: Effective January 2, 2007, EnCana established an integrated oil business with ConocoPhillips, which resulted in EnCana contributing its interests in Foster Creek and Christina Lake into an upstream partnership owned 50-50 by the two companies. Production and wells drilled from 2006 have been adjusted on a pro forma basis to reflect the integrated oil transaction. Per share amounts for cash flow and earnings are on a diluted basis. EnCana reports in U.S. dollars unless otherwise noted and follows U.S. protocols, which report production, sales and reserves on an after-royalties basis. The company's financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP).

Financial Summary – Total Consolidated

(for the three months ended March 31) ($ millions, except per share amounts)	**Q1 2008**	Q1 2007	% Δ
Cash flow [1]	**2,389**	1,752	+ 36
Per share diluted	**3.17**	2.25	+ 41
Net earnings	**93**	497	- 81
Per share diluted	**0.12**	0.64	- 81
Operating earnings [1]	**1,045**	850	+ 23
Per share diluted	**1.39**	1.09	+ 28
Earnings Reconciliation Summary – Total Consolidated			
Net earnings	**93**	497	
(Add back losses & deduct gains)			
Unrealized mark-to-market hedging gain (loss), after-tax	**(737)**	(423)	
Non-operating foreign exchange gain (loss) after-tax	**(215)**	11	
Gain (loss) on discontinuance, after-tax	**-**	59	
Operating earnings [1]	**1,045**	850	+ 23
Per share diluted	**1.39**	1.09	+ 28

1 Cash flow and operating earnings are non-GAAP measures as defined in Note 1 on Page 8.

Production & Drilling Summary

Total Consolidated

(for the three months ended March 31) (After royalties)	**Q1 2008**	Q1 2007	% Δ
Natural gas (MMcf/d)	**3,733**	3,400	+ 10
Natural gas production per 1,000 shares (Mcf)	**453**	398	+ 14
Oil and NGLs (Mbbls/d)	**137**	131	+ 5
Oil and NGLs production per 1,000 shares (Mcfe)	**100**	92	+ 9
Total production (MMcfe/d)	**4,557**	4,184	+ 9
Total per 1,000 shares (Mcfe)	**553**	490	+ 13
Net wells drilled	**1,143**	1,264	-10

Key resource play natural gas production up 18 percent in first quarter
First quarter natural gas production from key North American resource plays increased 18 percent to 3.0 Bcf/d up from 2.6 Bcf/d in the same period in 2007. East Texas experienced the largest growth at 165 percent as a result of continued drilling success and incremental volumes from the Deep Bossier acquisition. It was joined by strong performances at Bighorn in west central Alberta, Fort Worth and CBM in central Alberta.

Growth from key North American resource plays

Resource Play (After royalties)	Daily Production						
	2008	2007					2006
	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year
Natural gas (MMcf/d)							
Jonah	**595**	557	612	588	523	504	464
Piceance	**372**	348	351	354	349	334	326
East Texas	**273**	143	187	144	139	103	99
Fort Worth	**140**	124	138	128	124	106	101
Greater Sierra	**205**	211	221	220	219	186	213
Cutbank Ridge[1]	**271**	258	283	269	248	232	189
Bighorn[1]	**146**	126	136	136	122	109	97
CBM	**298**	259	283	256	245	251	194
Shallow Gas	**715**	726	727	713	729	735	739
Total natural gas[1] (MMcf/d)	**3,015**	2,752	2,938	2,808	2,698	2,560	2,422
Oil (Mbbls/d)							
Foster Creek	**27**	24	25	26	25	20	18
Christina Lake	**2**	3	2	3	3	3	3
Pelican Lake	**24**	23	24	24	23	23	24
Weyburn[2]	**14**	15	14	15	14	15	15
Total oil (Mbbls/d)[2]	**67**	65	65	68	65	61	60
Total (MMcfe/d)[1, 2]	**3,417**	3,142	3,328	3,210	3,088	2,926	2,782
% change from prior period	**+ 2.7**	+ 12.9	+ 3.7	+ 4.0	+ 5.5	+ 9.2	

1 Key resource play production volumes in 2007 and 2006 for Cutbank Ridge and Bighorn have been restated to include the addition of new areas and zones that now qualify for key resource play inclusion.
2 Total key resource play production volumes in 2007 and 2006 have been restated to include the designation of Weyburn as an oil key resource play.

Drilling activity in key North American resource plays

Resource Play	Net Wells Drilled						
	2008	2007					2006
	Q1	Full year	Q4	Q3	Q2	Q1	Full Year
Natural gas							
Jonah	**43**	135	23	31	42	39	163
Piceance	**83**	286	77	72	72	65	220
East Texas	**11**	35	8	9	11	7	59
Fort Worth	**21**	75	15	17	29	14	97
Greater Sierra	**36**	109	27	27	32	23	115
Cutbank Ridge[1]	**24**	93	11	23	26	33	134
Bighorn[1]	**30**	62	6	18	10	28	58
CBM	**251**	1,079	330	323	18	408	729
Shallow Gas	**496**	1,914	649	608	241	416	1,310
Total gas wells[1]	**995**	3,788	1,146	1,128	481	1,033	2,885
Oil							
Foster Creek	**12**	23	6	8	1	8	3
Christina Lake	**-**	3	-	1	2	-	1
Pelican Lake	**-**	-	-	-	-	-	-
Weyburn[2]	**9**	37	10	9	9	9	35
Total oil wells[1, 2]	**21**	63	16	18	12	17	39
Total[2]	**1,016**	3,851	1,162	1,146	493	1,050	2,924

1 Key resource play net wells drilled for Cutbank Ridge and Bighorn in 2007 and 2006 have been restated to include the addition of new areas and zones that now qualify for key resource play inclusion.
2 Total key resource play net wells drilled in 2007 and 2006 have been restated to include the designation of Weyburn as an oil key resource play.

Emerging resource plays update

Montney

EnCana holds 548,000 acres covering the unconventional deep basin Montney formation, with 240,000 net acres located within EnCana's core development area near Dawson Creek, B.C. Current daily gas production from the deep basin Montney is more than 120 million cubic feet per day (MMcf/d). EnCana has tested the deep basin Montney play extensively over the last several years and by incrementally applying advanced technology has reduced overall development costs by 70 percent. To date, EnCana has developed just over 6,400 acres of core land. EnCana drilled 13 horizontal wells in the first quarter and expects to drill more than 50 horizontal wells targeting this formation in 2008. EnCana has plans, pending future allocation of capital spending, to produce between 500 MMcf/d and 1 Bcf/d from the area over the next five to 10 years.

Horn River Basin

EnCana holds more than 216,000 net acres in the Horn River Basin, a shale gas play, located in northeastern B.C. In 2007 EnCana formed a venture with Apache Corporation that resulted in Apache owning a 50 percent interest in the majority of EnCana's lands. EnCana discovered the shale basin in 2003. EnCana and Apache have been the most active drillers in the basin with six gross wells drilled to the end of 2007. In the first quarter of 2008, Apache drilled three earning wells with encouraging initial test results. EnCana is currently drilling and completing four additional wells and results are expected later in the year. Through B.C.'s infrastructure programs, an all-weather road was built into the area, which will allow year-round access. EnCana is encouraged by the Horn River results to date and expects to be able to provide additional information about the play's commercial potential in the upcoming months.

East Texas

At East Texas, production grew as a result of an increase in the Deep Bossier assets, which doubled EnCana's ownership to 100 percent, and from strong performance from its wells. Five Deep Bossier wells brought on production in the first quarter averaged initial flow rates of more than 25 MMcf/d, with one of the wells exceeding 60 MMcf/d. Two wells drilled in the area successfully proved up the northern end of the Amoruso field. EnCana's Amoruso plant was commissioned in February, increasing processing capacity to 450 MMcf/d.

First quarter 2008 natural gas and oil prices			
Natural gas ($/Mcf)	**Q1 2008**	**Q1 2007**	**% Δ**
NYMEX	8.03	6.77	+ 19
EnCana realized gas price[1]	**8.02**	7.24	+ 11
Oil and NGLs ($/bbl)			
WTI	97.82	58.23	+ 68
Western Canadian Select (WCS)	76.37	41.77	+ 83
Differential WTI/WCS	21.45	16.46	+ 30
EnCana realized liquids price[1]	**69.59**	42.59	+ 63
Chicago 3-2-1 crack spread ($bbl)	**7.69**	12.90	- 40

1 Realized prices include the impact of financial hedging

Price risk management

Risk management positions at March 31, 2008 are presented in Note 16 to the unaudited Interim Consolidated Financial Statements. In the first quarter of 2008, EnCana's commodity price risk management measures resulted in realized gains of approximately $13 million after-tax, composed of a $62 million after-tax gain on gas and basis hedges, and a $49 million after-tax loss on oil and other hedges.

About 40 percent of remaining 2008 expected gas production hedged

EnCana has hedged about 1.6 Bcf/d of expected gas production for the remainder of the year at an average NYMEX equivalent price of $8.04 per Mcf. EnCana also has about 23,000 bbls/d of expected 2008 oil production hedged under fixed price contracts at an average West Texas Intermediate (WTI) of $70.13 per bbl. This represents less than 20 percent of expected 2008 oil production. This price hedging strategy helps reduce uncertainty in cash flow during periods of commodity price volatility.

U.S. Rockies and Canadian basis differential hedges

North American natural gas prices are impacted by volatile pricing disconnects caused primarily by transportation constraints between producing regions and consuming regions. These price discounts are called basis differentials. For 2008, EnCana has hedged 100 percent of its expected U.S. Rockies basis exposure using a combination of downstream transportation and basis hedges, including some hedges that are based on a percentage of NYMEX prices. At March 31, 2008, U.S. basis hedges, a combination of Rockies, Mid-Continent and San Juan instruments, had an effective average differential of NYMEX less $1.31 per Mcf for the rest of 2008. EnCana has also hedged about 9 percent of its expected 2008 Canadian gas production at an average AECO basis differential of 77 cents per Mcf.

Corporate developments

Quarterly dividend of 40 cents per share declared

EnCana's Board of Directors has declared a quarterly dividend of 40 cents per share payable on June 30, 2008 to common shareholders of record as of June 13, 2008. Based on the April 21, 2008 closing share price on the New York Stock Exchange of $86.23, this represents an annualized yield of about 1.8 percent.

Dividend Reinvestment Plan
EnCana has established a dividend reinvestment plan (DRIP) for its common shares. Information on registering for the DRIP is available on the company's website at www.encana.com under Investor Relations – Shareholder Information – Dividend Reinvestment Plan. Shareholders that register for the DRIP by June 6, 2008 (4 p.m. ET) will be entitled to have eligible second quarter dividends, payable June 30, 2008, reinvested pursuant to the DRIP.

Normal Course Issuer Bid
In the first quarter of 2008, EnCana purchased for cancellation 4.6 million common shares at an average share price of $66.80 under the company's Normal Course Issuer Bid for a total cost of $311 million.

Foreign Exchange
The average U.S./Canadian dollar exchange rate increased 17 percent to $0.996 in the first quarter of this year compared to $0.854 in the first quarter of 2007, increasing total capital investment by $163 million, operating expenses by $48 million ($0.13 per Mcfe), administrative expenses by $14 million ($0.04 per Mcfe), and DD&A expense by $90 million.

EnCana invests in environmental innovation and numerous energy efficiency initiatives
EnCana is undertaking a number of environmental initiatives in 2008. Through EnCana's Energy Efficiency Initiative, which is in its second year, the company has budgeted to provide up to $50 million for projects that have the potential to reduce emissions. In addition, in the first quarter the company announced a $3 million investment in the Nova Scotia Tidal Power Test Facility; a $3 million investment to support the testing of a diesel emission reduction system; and a $7.5 million donation to the University of Alberta to support environmental research through the creation of two chairs – one in environmental engineering and a second in water resource sciences – plus student scholarships. And, at a major environmental conference in March, EnCana was recognized for its commitment to fiscal, social and environmental responsibility with the GLOBE Foundation's award for corporate environmental excellence.

Financial strength

EnCana maintains a strong balance sheet, targeting a net debt-to-capitalization ratio between 30 and 40 percent and a net debt-to-adjusted-EBITDA multiple, on a trailing 12-month basis, of 1 to 2 times. At March 31, 2008, the company's net debt-to-capitalization ratio was 38 percent. This ratio was negatively impacted by unrealized mark-to-market losses on risk management instruments. EnCana's net debt-to-adjusted-EBITDA multiple, on a trailing 12-month basis, was 1.3 times at the end of the first quarter. Based on current strip prices the company expects to be at the bottom of its managed ranges by year-end.

In the quarter, EnCana invested $1.8 billion in capital on continued development of the company's North American key resource plays and expansion of downstream heavy oil processing capacity through its joint venture with ConocoPhillips.

On January 18, 2008, EnCana completed a public offering in Canada of senior unsecured medium term notes in the amount of C$750 million. The notes have an interest rate of 5.80 percent and mature on January 18, 2018. The net proceeds of the offering were used to repay a portion of EnCana's existing bank and commercial paper indebtedness.

On March 11, 2008, EnCana filed a shelf prospectus whereby it may issue up to $4 billion, or the equivalent in other currencies, of debt securities in the U.S. The shelf prospectus replaces EnCana's $2 billion shelf prospectus, which was fully utilized.

NOTE 1: Non-GAAP measures
This interim report contains references to cash flow, operating earnings, free cash flow, net debt, capitalization and adjusted earnings before interest, tax, depreciation and amortization (EBITDA).

- 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.
- Operating earnings is a non-GAAP measure that shows net earnings excluding non-operating items such as the after-tax impacts of a gain/loss on discontinuance, the after-tax gain/loss of unrealized mark-to-market accounting for derivative instruments, the after-tax gain/loss on translation of U.S. dollar denominated debt issued from Canada and the partnership contribution receivable, the after-tax foreign exchange gain/loss on settlement of intercompany transactions, future income tax on foreign exchange related to U.S. dollar intercompany debt recognized for tax purposes only, and the effect of changes in statutory income tax rates. Management believes that these excluded items reduce the comparability of the company's underlying financial performance between periods. The majority of U.S. dollar debt issued from Canada has maturity dates in excess of five years.
- Free cash flow is a non-GAAP measure that EnCana defines as cash flow in excess of capital investment, excluding net acquisitions and divestitures, and is used to determine the funds available for other investing and/or financing activities.
- Net debt is a non-GAAP measure defined as long-term debt plus current liabilities less current assets. Capitalization is a non-GAAP measure defined as net debt plus shareholders' equity. Net debt to capitalization and net debt to adjusted EBITDA are two ratios management uses to steward the company's overall debt position as measures of the company's overall financial strength.
- Adjusted EBITDA is a non-GAAP measure defined as net earnings from continuing operations before gain on divestitures, income taxes, foreign exchange gains or losses, interest net, accretion of asset retirement obligation, and depreciation, depletion and amortization.

These measures have been described and presented in this interim report in order to provide shareholders and potential investors with additional information regarding EnCana's liquidity and its ability to generate funds to finance its operations.

EnCana Corporation

With an enterprise value of approximately $70 billion, EnCana is a leading North American unconventional natural gas and integrated oil company. By partnering with employees, community organizations and other businesses, EnCana contributes to the strength and sustainability of the communities where it operates. EnCana common shares trade on the Toronto and New York stock exchanges under the symbol ECA.

ADVISORY REGARDING RESERVES DATA AND OTHER OIL AND GAS INFORMATION – EnCana's disclosure of reserves data and other oil and gas information is made in reliance on an exemption granted to EnCana by Canadian securities regulatory authorities which permits it to provide such disclosure in accordance with U.S. disclosure requirements. The information provided by EnCana may differ from the corresponding information prepared in accordance with Canadian disclosure standards under National Instrument 51-101 (NI 51-101). EnCana's reserves quantities represent net proved reserves calculated using the standards contained in Regulation S-X of the U.S. Securities and Exchange Commission. Further information about the differences between the U.S. requirements and the NI 51-101 requirements is set forth under the heading "Note Regarding Reserves Data and Other Oil and Gas Information" in EnCana's Annual Information Form.

In this interim report, certain crude oil and NGLs volumes have been converted to cubic feet equivalent (cfe) on the basis of one barrel (bbl) to six thousand cubic feet (Mcf). Also, certain natural gas volumes have been converted to barrels of oil equivalent (BOE) on the same basis. BOE and cfe may be misleading, particularly if used in isolation. A conversion ratio of one bbl to six Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS – In the interests of providing EnCana shareholders and potential investors with information regarding EnCana, including management's assessment of EnCana's and its subsidiaries' future plans and operations, certain statements contained in this interim report are forward-looking statements or information within the meaning of applicable securities legislation, collectively referred to herein as "forward-looking statements." Forward-looking statements in this interim report include, but are not limited to: future economic and operating performance (including per share growth, net debt-to-capitalization and net debt-to-adjusted-EBITDA ratios, sustainable growth and returns, cash flow, free cash flow, cash flow per share and increases in net asset value); anticipated ability to meet the company's guidance forecasts; anticipated life of proved reserves; anticipated growth and success of resource plays and the expected characteristics of resource plays; anticipated reduction in greenhouse gas emissions; anticipated oil recovery from Weyburn; anticipated production for the Cutbank Ridge resource play; anticipated drilling and production in the Horn River Basin; anticipated impact of climate change legislation; anticipated production in East Texas; anticipated crude oil and natural gas prices, including basis differentials for various regions; anticipated expansion and production at Foster Creek and Christina Lake; anticipated increased capacity for the Borger and Wood River refineries; anticipated integrated oil cash flow; projections for future crack spreads and anticipated refining profits; anticipated drilling inventory; expected proportion of total production and cash flows contributed by natural gas; anticipated success of EnCana's market risk mitigation strategy; anticipated purchases pursuant to the Normal Course Issuer Bid and the source of funding therefore; potential demand for natural gas; anticipated bitumen production in 2008 and beyond; anticipated drilling; potential capital expenditures and investment; potential oil, natural gas and NGLs production in 2008 and beyond; anticipated costs and inflationary pressures; potential risks associated with drilling and references to potential exploration. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things: volatility of and assumptions regarding oil and gas prices; assumptions based upon the company's current guidance; fluctuations in currency and interest rates; product supply and demand; market competition; risks inherent in the company's marketing operations, including credit risks; imprecision of reserves estimates and estimates of recoverable quantities of oil, natural gas and liquids from resource plays and other sources not currently classified as proved reserves; the ability of the company and ConocoPhillips to successfully manage and operate the integrated North American oil business and the ability of the parties to obtain necessary regulatory approvals; refining and marketing margins; potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; potential failure of new products to achieve acceptance in the market; unexpected cost increases or technical difficulties in constructing or modifying manufacturing or refining facilities; unexpected difficulties in manufacturing, transporting or refining synthetic crude oil; risks associated with technology; the company's ability to replace and expand oil and gas reserves; its ability to generate sufficient cash flow from operations to meet its current and future obligations; its ability to access external sources of debt and equity capital; the timing and the costs of well and pipeline construction; the company's ability to secure adequate product transportation; changes in royalty, tax, environmental and other laws or regulations or the interpretations of such laws or regulations; political and economic conditions in the countries in which the company operates; the risk of war, hostilities, civil insurrection and instability affecting countries in which the company operates and terrorist threats; risks associated with existing and potential future lawsuits and regulatory actions made against the company; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by EnCana. Although EnCana believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive.

Furthermore, the forward-looking statements contained in this interim report are made as of the date of this interim report, and, except as required by law, EnCana does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this interim report are expressly qualified by this cautionary statement.

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") for EnCana Corporation ("EnCana" or the "Company") should be read with the unaudited Interim Consolidated Financial Statements ("Interim Consolidated Financial Statements") for the period ended March 31, 2008, as well as the audited Consolidated Financial Statements and MD&A for the year ended December 31, 2007. Readers should also read the "Forward-Looking Statements" legal advisory contained at the end of this document.

The Interim Consolidated Financial Statements and comparative information have been prepared in United States ("U.S.") dollars, except where another currency has been indicated, and in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). Production volumes are presented on an after royalties basis consistent with U.S. protocol reporting. This document is dated April 21, 2008.

Readers can find the definition of certain terms used in this document in the disclosure regarding Oil and Gas Information and Currency, Non-GAAP Measures and References to EnCana contained in the Advisories section located at the end of this document. Except as otherwise noted, all 2008 comparative figures are for the quarter ended March 31 and are compared to the equivalent prior year period.

EnCana's Business

EnCana is a leading North American unconventional natural gas and integrated oil company.

EnCana has defined its operations into the following segments:

- Canada, United States and Other includes the Company's upstream exploration for, and development and production of natural gas, crude oil and natural gas liquids ("NGLs") and other related activities. The majority of the Company's upstream operations are located in Canada and the U.S. Offshore and international exploration is mainly focused on opportunities in Atlantic Canada, the Middle East and Europe.
- Integrated Oil is focused on two lines of business: the exploration for, and development and production of bitumen in Canada using in-situ recovery methods; and the refining of crude oil into petroleum and chemical products in the U.S. This segment represents EnCana's 50 percent interest in a joint venture with ConocoPhillips.
- Market Optimization is focused on enhancing the sale of EnCana's upstream production. As part of these activities, Market Optimization buys and sells third party products to enhance EnCana's operational flexibility for transportation commitments, product type, delivery points and customer diversification.
- Corporate includes unrealized gains or losses recorded on derivative financial instruments. Once amounts are settled, the realized gains and losses are recorded in the operating segment to which the derivative instrument relates.

2008 versus 2007 Results Review

In the first quarter of 2008 compared to the first quarter of 2007, EnCana:

- Increased Cash Flow by 36 percent to $2,389 million primarily due to increased crude oil and natural gas prices and higher production volumes offset by a decrease of $195 million after-tax in realized financial hedging gains;
- Increased Operating Earnings by 23 percent to $1,045 million;
- Reported an 81 percent decrease in Net Earnings to $93 million primarily due to after-tax unrealized mark-to-market losses of $737 million in 2008 compared with losses of $423 million in 2007 as well as increased future income taxes, higher depreciation, depletion and amortization ("DD&A") expense and foreign exchange losses;
- Increased Free Cash Flow by $271 million to $540 million;
- Grew total production 9 percent to 4,557 million cubic feet equivalent ("MMcfe") per day ("MMcfe/d"), primarily from gas. On a per share basis, production increased 13 percent;
- Increased production from natural gas key resource plays 18 percent and from oil key resource plays 10 percent;
- Reported a 23 percent increase in natural gas prices to $7.75 per thousand cubic feet ("Mcf") and an 87 percent increase in liquids prices to $75.44 per barrel ("bbl");
- Purchased approximately 4.6 million of its Common Shares at an average price of $66.80 per share under the Normal Course Issuer Bid ("NCIB") for a total cost of $311 million in the first quarter of 2008;

- Was impacted by a 17 percent increase in the average U.S./Canadian dollar exchange rate that increased reported capital investment by $163 million, operating expense by $48 million, administrative expense by $14 million and DD&A expense by $90 million; and
- Increased its quarterly dividend to 40 cents per share for the first quarter of 2008 compared to 20 cents per share in 2007.

Business Environment

EnCana's financial results are significantly influenced by fluctuations in commodity prices, which include price differentials, crack spreads and the U.S./Canadian dollar exchange rate. The following table shows select market benchmark prices and foreign exchange rates to assist in understanding EnCana's financial results:

	Three Months Ended March 31		
(Average for the period)	2008	2008 vs 2007	2007
Natural Gas Price Benchmarks			
AECO *(C$/Mcf)*	$ 7.13	-4%	$ 7.46
NYMEX *($/MMBtu)*	8.03	19%	6.77
Rockies (Opal) *($/MMBtu)*	7.02	27%	5.54
Texas (HSC) *($/MMBtu)*	7.73	18%	6.54
Basis Differential *($/MMBtu)*			
AECO/NYMEX	0.84	110%	0.40
Rockies/NYMEX	1.01	-18%	1.23
Texas/NYMEX	0.30	30%	0.23
Crude Oil Price Benchmarks			
West Texas Intermediate (WTI) *($/bbl)*	97.82	68%	58.23
Western Canadian Select (WCS) *($/bbl)*	76.37	83%	41.77
Differential - WTI/WCS *($/bbl)*	21.45	30%	16.46
Refining Margin Benchmark			
Chicago 3-2-1 Crack Spread *($/bbl)* (1)	7.69	-40%	12.90
Foreign Exchange			
U.S./Canadian Dollar Exchange Rate	0.996	17%	0.854

(1) 3-2-1 Crack Spread is an indicator of the refining margin generated by converting three barrels of crude oil into two barrels of gasoline and one barrel of diesel. 2007 and 2008 values are calculated using Ultra Low Sulphur Diesel.

Consolidated Financial Results

($ millions, except per share amounts)	2008	2007				2006		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total Consolidated								
Cash Flow [1]	**$ 2,389**	$ 1,934	$ 2,218	$ 2,549	$ 1,752	$ 1,761	$ 1,894	$ 1,815
- per share – diluted	**3.17**	2.56	2.93	3.33	2.25	2.18	2.30	2.15
Net Earnings	**93**	1,082	934	1,446	497	663	1,358	2,157
- per share – basic	**0.12**	1.44	1.24	1.91	0.65	0.84	1.68	2.60
- per share – diluted	**0.12**	1.43	1.24	1.89	0.64	0.82	1.65	2.55
Operating Earnings [2]	**1,045**	849	1,032	1,369	850	675	1,078	824
- per share – diluted	**1.39**	1.12	1.37	1.79	1.09	0.84	1.31	0.98
Continuing Operations								
Cash Flow from Continuing Operations [1]	**2,389**	1,934	2,218	2,549	1,752	1,742	1,883	1,839
Net Earnings from Continuing Operations	**93**	1,007	934	1,446	497	643	1,343	1,593
- per share – basic	**0.12**	1.34	1.24	1.91	0.65	0.81	1.66	1.92
- per share – diluted	**0.12**	1.33	1.24	1.89	0.64	0.80	1.63	1.88
Operating Earnings from Continuing Operations [2]	**1,045**	849	1,032	1,369	850	672	1,064	841
Revenues, Net of Royalties	**5,342**	5,801	5,596	5,613	4,436	3,676	4,029	3,922

(1) Cash Flow and Cash Flow from Continuing Operations are non-GAAP measures and are defined under the "Cash Flow" section of this MD&A.
(2) Operating Earnings and Operating Earnings from Continuing Operations are non-GAAP measures and are defined under the "Operating Earnings" section of this MD&A.

CASH FLOW

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. Cash Flow from Continuing Operations is a non-GAAP measure defined as Cash Flow excluding Cash Flow from Discontinued Operations. While Cash Flow measures are considered non-GAAP, they are commonly used in the oil and gas industry and by EnCana to assist Management and investors in measuring the Company's ability to finance capital programs and meet financial obligations.

Summary of Cash Flow

($ millions)	Three Months Ended March 31	
	2008	2007
Cash From Operating Activities	**$ 1,758**	$ 1,908
(Add back) deduct:		
Net change in other assets and liabilities	**(93)**	20
Net change in non-cash working capital	**(538)**	136
Cash Flow	**$ 2,389**	$ 1,752

Three Months Ended March 31, 2008 versus 2007

Cash Flow in the first quarter of 2008 increased $637 million or 36 percent compared to the first quarter of 2007.

The increase in Cash Flow resulted from:

- Average North American liquids prices, excluding financial hedges, increased 87 percent to $75.44 per bbl in 2008 compared to $40.25 per bbl in 2007;
- Natural gas production volumes in 2008 increased 10 percent to 3,733 million cubic feet ("MMcf") of gas per day ("MMcf/d") from 3,400 MMcf/d in 2007; and
- Average North American natural gas prices, excluding financial hedges, increased 23 percent to $7.75 per Mcf in 2008 compared to $6.32 per Mcf in 2007.

Cash Flow was reduced by:

- Realized financial natural gas, crude oil and other commodity hedging gains of $13 million after-tax in 2008 compared with gains of $208 million after-tax in 2007; and
- Increases in operating, production and mineral taxes, transportation and selling, administrative and interest expenses in 2008 compared with 2007 primarily due to the higher U.S./Canadian dollar exchange rate.

NET EARNINGS

Three Months Ended March 31, 2008 versus 2007

EnCana's first quarter 2008 Net Earnings were $404 million lower compared to 2007. In addition to the items affecting Cash Flow as detailed previously, significant items affecting Net Earnings were:

- Unrealized mark-to-market losses of $737 million after-tax in 2008 compared with losses of $423 million after-tax in 2007;
- Income tax expense, excluding tax on unrealized mark-to-market losses, increased $265 million primarily due to future income taxes on unrealized foreign exchange gains; and
- DD&A increased $192 million in 2008 compared to 2007 primarily due to the higher U.S./Canadian dollar exchange rate, the increase in production volumes and higher capitalized costs primarily related to the Deep Bossier acquisition in 2007.

OPERATING EARNINGS

Operating Earnings and Operating Earnings from Continuing Operations are non-GAAP measures that adjust Net Earnings and Net Earnings from Continuing Operations by non-operating items that Management believes reduce the comparability of the Company's underlying financial performance between periods. The following reconciliation of Operating Earnings has been prepared to provide investors with information that is more comparable between periods. Operating Earnings are equal to Operating Earnings from Continuing Operations in the first quarter of 2008 and also in the comparative period in 2007.

Summary of Operating Earnings

	Three Months ended March 31			
	2008		2007	
($ millions, except per share amounts)		**Per share[5]**		Per share[5]
Net Earnings, as reported	**$ 93**	**$ 0.12**	$ 497	$ 0.64
Add back (losses) and deduct gains:				
Unrealized mark-to-market accounting gain (loss), after-tax	**(737)**	**(0.98)**	(423)	(0.54)
Non-operating foreign exchange gain (loss), after-tax [1]	**(215)**	**(0.29)**	11	0.01
Gain (loss) on discontinuance, after-tax[2]	**-**	**-**	59	0.08
Operating Earnings [3] [4]	**$ 1,045**	**$ 1.39**	$ 850	$ 1.09

(1) Unrealized foreign exchange gain (loss) on translation of Canadian issued U.S. dollar debt, the partnership contribution receivable, realized foreign exchange gain (loss) on settlement of intercompany transactions, after-tax and future income tax on foreign exchange related to U.S. dollar intercompany debt recognized for tax purposes only. The majority of U.S. dollar debt issued from Canada has maturity dates in excess of five years.

(2) For 2007, gain on sale of interests in Chad.

(3) 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 and the partnership contribution receivable, after-tax foreign exchange gains/losses on settlement of intercompany transactions, future income tax on foreign exchange related to U.S. dollar intercompany debt recognized for tax purposes only and the effect of changes in statutory income tax rates. In 2007, EnCana changed its calculation of Operating Earnings to exclude the foreign exchange effects on settlement of significant intercompany transactions to provide information that is more comparable between periods.

(4) Unrealized gains or losses and realized foreign exchange gains or losses on settlement of intercompany transactions have no impact on Cash Flow.

(5) Per Common Share - diluted.

FOREIGN EXCHANGE

As disclosed in the Business Environment section of this MD&A, the average U.S./Canadian dollar exchange rate increased 17 percent to $0.996 in the first quarter of 2008 compared to $0.854 in the first quarter of 2007. The table below summarizes the impacts of this increase on EnCana's operations when compared to the same period in 2007.

	2008 Q1	
Average U.S./Canadian Dollar Exchange Rate	**$ 0.996**	
Change from Q1 2007	**0.142**	
	$ millions	**$/Mcfe**
Increase (decrease) in:		
Capital Investment	**$ 163**	
Operating Expense	**48**	**0.13**
Administrative Expense *($/Mcfe)*	**14**	**0.04**
DD&A Expense *($ millions)*	**90**	

Additional detail regarding the impact of foreign exchange on EnCana's 2008 results is available in the Corporate Guidance on our website at www.encana.com.

RESULTS OF OPERATIONS

Production Volumes

	2008	2007					2006		
	Q1	2007	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Produced Gas *(MMcf/d)*	**3,733**	3,566	3,722	3,630	3,506	3,400	3,406	3,359	3,361
Crude Oil *(bbls/d)*	**111,815**	108,976	109,273	109,967	108,916	107,715	130,563	132,814	127,459
NGLs *(bbls/d)*	**25,473**	25,178	26,864	26,416	24,500	22,875	24,106	23,907	24,400
Total *(MMcfe/d)* [(1)]	**4,557**	4,371	4,539	4,448	4,306	4,184	4,334	4,299	4,272

(1) Liquids converted to thousand cubic feet equivalent at 1 barrel = 6 thousand cubic feet.

Production volumes increased 9 percent or 373 MMcfe/d in the first quarter of 2008 compared to the first quarter of 2007 due to increased production from EnCana's natural gas key resource plays of 18 percent and from crude oil key resource plays of 10 percent offset partially by natural declines in conventional properties.

Key Resource Plays

	Three Months ended March 31				
	Daily Production			Drilling Activity (net wells drilled)	
	2008	**2008 vs 2007**	2007	**2008**	2007
Natural Gas *(MMcf/d)*					
Jonah	**595**	**18%**	504	**43**	39
Piceance	**372**	**11%**	334	**83**	65
East Texas	**273**	**165%**	103	**11**	7
Fort Worth	**140**	**32%**	106	**21**	14
Greater Sierra	**205**	**10%**	186	**36**	23
Cutbank Ridge[(1)]	**271**	**17%**	232	**24**	33
Bighorn[(1)]	**146**	**34%**	109	**30**	28
CBM	**298**	**19%**	251	**251**	408
Shallow Gas	**715**	**-3%**	735	**496**	416
	3,015	**18%**	2,560	**995**	1,033
Oil *(Mbbls/d)*					
Foster Creek	**27**	**31%**	20	**12**	8
Christina Lake	**2**	**-5%**	3	**-**	-
	29	**26%**	23	**12**	8
Pelican Lake	**24**	**4%**	23	**-**	-
Weyburn	**14**	**-9%**	15	**9**	9
	67	**10%**	61	**21**	17
Total *(MMcfe/d)* [(2)]	**3,417**	**17%**	2,926	**1,016**	1,050

(1) Key resource play production and wells drilled information in 2007 for Cutbank Ridge and Bighorn have been restated to include the addition of new areas and zones that now qualify for key resource play inclusion.

(2) Total key resource play production and wells drilled information in 2007 has been restated to include the designation of Weyburn as an oil key resource play.

CANADA, UNITED STATES AND OTHER

Produced Gas

Three Months Ended March 31, 2008 versus 2007

Financial Results

($ millions, except per unit amounts in $ per thousand cubic feet)

2008	Canada		United States		Total	
		$/Mcf		$/Mcf		$/Mcf
Revenues, Net of Royalties / Price	$ 1,482	$ 7.44	$ 1,157	$ 8.19	$ 2,639	$ 7.75
Realized Financial Hedging Gain	67		26		93	
Expenses						
Production and mineral taxes	8	0.04	87	0.62	95	0.28
Transportation and selling	75	0.38	115	0.81	190	0.56
Operating	247	1.25	101	0.71	348	1.02
Operating Cash Flow / Netback [(1)]	$ 1,219	$ 5.77	$ 880	$ 6.05	$ 2,099	$ 5.89
Netback including Realized Financial Hedging						$ 6.16
Gas Production Volumes *(MMcf/d)*		2,181		1,552		3,733

2007	Canada		United States		Total	
		$/Mcf		$/Mcf		$/Mcf
Revenues, Net of Royalties / Price	$ 1,250	$ 6.36	$ 687	$ 6.24	$ 1,937	$ 6.32
Realized Financial Hedging Gain	138		144		282	
Expenses						
Production and mineral taxes	20	0.10	58	0.53	78	0.26
Transportation and selling	70	0.36	66	0.61	136	0.45
Operating	177	0.91	75	0.67	252	0.82
Operating Cash Flow / Netback [(1)]	$ 1,121	$ 4.99	$ 632	$ 4.43	$ 1,753	$ 4.79
Netback including Realized Financial Hedging						$ 5.71
Gas Production Volumes *(MMcf/d)*		2,178		1,222		3,400

(1) Netback excludes the impact of realized financial hedging.

Produced Gas Revenue Variances

($ millions)	2007 Revenues Net of Royalties	Revenue Variances in: Price[(1)]	Volume	Other[(2)]	2008 Revenues Net of Royalties
Canada	$ 1,388	$ 144	$ 19	$ (2)	$ 1,549
United States	831	90	262	-	1,183
Total Produced Gas	$ 2,219	$ 234	$ 281	$ (2)	$ 2,732

(1) Includes the impact of realized financial hedging.
(2) Includes Gas-over-Bitumen revenues resulting from wells shut-in or denied production that are received from the Alberta Government.

Revenues, net of royalties, increased in the first quarter of 2008 compared with the same period in 2007 due to:

- A 10 percent increase in natural gas production volumes and a 23 percent increase in North American natural gas prices, excluding the impact of financial hedging;

offset by:

- A decrease in realized financial hedging gains, which totaled $93 million or $0.27 per Mcf in 2008 compared to gains of $282 million or $0.92 per Mcf in 2007.

Produced gas volumes in the U.S. increased 27 percent in 2008 as a result of drilling and operational success at East Texas, Jonah, Piceance and Fort Worth as well as incremental volumes from the Deep Bossier acquisition and upgrades to the compression and gathering facilities at Jonah. Produced gas volumes in Canada were relatively unchanged in 2008 compared to 2007. Drilling success and new facilities in the key resource plays of CBM, Cutbank Ridge, Bighorn and Greater Sierra were offset by natural declines for the Shallow Gas key resource play and conventional properties.

The increase in EnCana's North American natural gas price in 2008, excluding the impact of financial hedges, reflects the changes in AECO and NYMEX benchmark prices and changes in the basis differentials. Variability in realized prices also reflects the weighting of EnCana's various gas stream volumes at their respective benchmark price, net of applicable basis differential.

Natural gas per unit production and mineral taxes decreased in 2008 compared to 2007 for Canada primarily due to lower 2007 freehold mineral tax billed in the first quarter of 2008 and refunds related to prior year audits offset partially by the higher U.S./Canadian dollar exchange rate. Natural gas per unit production and mineral taxes in the U.S. increased 17 percent or $0.09 per Mcf in 2008 compared to 2007 mainly as a result of higher natural gas prices in the U.S. Rockies offset partially by a reduction in ad valorem taxes for Colorado properties.

Natural gas per unit transportation and selling costs for the U.S. increased 33 percent or $0.20 per Mcf in 2008 compared to 2007 as a result of higher unutilized transportation commitments, higher gathering costs and transporting gas greater distances on the Rockies Express Pipeline.

Natural gas per unit operating expenses for Canada in 2008 were 37 percent or $0.34 per Mcf higher than in 2007 primarily as a result of the higher U.S./Canadian dollar exchange rate discussed earlier, higher repairs and maintenance, workovers and salaries and benefits expenses. Operating costs in both Canada and the U.S. were also impacted by higher long-term compensation costs in 2008 compared to 2007 due to increases in the EnCana share price, which resulted in a $0.09 per Mcf increase in operating costs for North American natural gas.

Crude Oil and NGLs

Three Months Ended March 31, 2008 versus 2007

Financial Results

($ millions)

2008	**Canada[(1)]**	**United States**	**Total**
Revenues, Net of Royalties	**$ 635**	**$ 99**	**$ 734**
Expenses			
Production and mineral taxes	**10**	**9**	**19**
Transportation and selling	**10**	**-**	**10**
Operating	**85**	**-**	**85**
Operating Cash Flow	**$ 530**	**$ 90**	**$ 620**

2007	Canada[(1)]	United States	Total
Revenues, Net of Royalties	$ 375	$ 54	$ 429
Expenses			
Production and mineral taxes	8	6	14
Transportation and selling	10	-	10
Operating	60	-	60
Operating Cash Flow	$ 297	$ 48	$ 345

(1) Excludes Foster Creek/Christina Lake, which are discussed under Integrated Oil.

Crude Oil and NGLs Revenue Variances

($ millions)	2007 Revenues Net of Royalties	Revenue Variances in: Price[1]	Volume	**2008 Revenues Net of Royalties**
Canada[2]	$ 375	$ 250	$ 10	**$ 635**
United States	54	39	6	**99**
Total Crude Oil and NGLs	$ 429	$ 289	$ 16	**$ 734**

(1) Includes the impact of realized financial hedging.
(2) Excludes Foster Creek/Christina Lake, which are discussed under Integrated Oil.

Revenues, net of royalties, increased in the first quarter of 2008 compared with the same period in 2007 due to:

- A 90 percent increase in Canada crude oil prices and 78 percent increase in North American NGLs prices, excluding financial hedges;

offset by:

- Realized financial hedging losses on liquids of $49 million or $4.99 per bbl in 2008 compared to gains of $20 million or $2.07 per bbl in 2007.

Canada crude oil production decreased 2 percent primarily due to natural declines in conventional properties.

Per Unit Results – Crude Oil

($ per barrel)	**Canada[1]** 2008	2007
Price [2]	**$ 78.82**	$ 41.42
Expenses		
Production and mineral taxes	**1.28**	1.06
Transportation and selling	**1.36**	1.27
Operating	**11.39**	8.06
Netback	**$ 64.79**	$ 31.03
Crude Oil Production Volumes *(bbls/d)*	**82,439**	84,446

(1) Excludes Foster Creek/Christina Lake, which are discussed under Integrated Oil.
(2) Excludes the impact of realized financial hedging.

Canada crude oil prices in 2008 increased 90 percent compared to 2007. The increase reflects the changes in benchmark WTI and WCS crude oil prices as well as lower average differentials on EnCana's various crude oil blends. Total realized financial hedging losses on crude oil for Canada were approximately $43 million or $5.65 per bbl in 2008 compared to gains of approximately $18 million or $2.32 per bbl in 2007.

Canada crude oil per unit production and mineral taxes increased 21 percent or $0.22 per bbl in 2008 compared to 2007 primarily due to the higher U.S./Canadian dollar exchange rate and higher crude oil prices.

Canada crude oil per unit transportation and selling costs increased 7 percent or $0.09 per bbl in 2008 compared to 2007 due to the higher U.S./Canadian dollar exchange rate offset by lower clean oil trucking costs at Weyburn in 2008.

Canada crude oil per unit operating costs in 2008 increased 41 percent or $3.33 per bbl compared to 2007 mainly due to the higher U.S./Canadian dollar exchange rate, higher long-term compensation costs due to the increase in the EnCana share price and increased power, workovers, property taxes and chemicals costs.

Per Unit Results – NGLs

NGLs are a byproduct obtained through the production of natural gas. As a result, operating costs associated with the production of NGLs are included with produced gas. Costs directly associated with NGLs production such as production and mineral taxes and transportation and selling costs totaled $9 million in the first quarter of 2008 compared to $6 million in 2007. Average North American NGLs realized prices increased 78 percent to $81.24 per bbl in 2008 from $45.66 per bbl in 2007, which is consistent with the higher WTI benchmark price.

Upstream Depreciation, Depletion and Amortization

EnCana uses full cost accounting and calculates DD&A on a country-by-country cost centre basis.

Upstream DD&A expenses of $938 million in the first quarter of 2008 increased $182 million or 24 percent compared to 2007 due to:

- North American production volumes excluding Foster Creek/Christina Lake increased 8 percent; and
- DD&A rates in Canada for 2008 were lower than 2007 primarily as a result of the higher proved reserves offset in part by the impact of the higher U.S./Canadian dollar exchange rate. DD&A rates in 2008 for the U.S. are higher primarily due to higher capitalized costs, mainly attributable to the Deep Bossier acquisition.

INTEGRATED OIL

Three Months Ended March 31, 2008 versus 2007

Foster Creek/Christina Lake Operations

Financial Results

($ millions)	Foster Creek/Christina Lake	
	2008	2007
Revenues, Net of Royalties	**$ 238**	$ 220
Expenses		
Transportation and selling	**120**	124
Operating	**41**	49
Operating Cash Flow	**$ 77**	$ 47

Crude Oil Revenue Variances

($ millions)	2007 Revenues Net of Royalties	Revenue Variances in: Price (1)	Volume	Other (2)	**2008 Revenues Net of Royalties**
Foster Creek/ Christina Lake	$ 220	37	(21)	2	**238**

(1) Includes the impact of realized financial hedging.
(2) Revenue dollars reported include the value of condensate sold as bitumen blend. Condensate costs are recorded in transportation expense.

On January 2, 2007, EnCana became a 50 percent partner in an integrated North American oil business with ConocoPhillips that consists of an upstream and a downstream entity. The upstream entity includes contributed assets from EnCana, primarily the Foster Creek and Christina Lake oil properties while the downstream entity includes ConocoPhillips' Wood River and Borger refineries located in Illinois and Texas, respectively.

The goal of the upstream business is to increase production at Foster Creek/Christina Lake to approximately 400,000 bbls/d of bitumen (on a 100 percent basis) by 2015.

Revenues, net of royalties, increased in the first quarter of 2008 compared with the same period in 2007 due to:

- A 79 percent increase in crude oil prices, excluding financial hedges;

offset by:

- Realized financial hedging losses of $23 million or $9.26 per bbl in 2008 compared to gains of $9 million or $3.27 per bbl in 2007; and
- Lower sales volumes attributable to changes in inventory.

Per Unit Results – Crude Oil

($ per barrel)	Foster Creek/Christina Lake	
	2008	2007
Price (1)	**$ 59.67**	$ 33.28
Expenses		
Transportation and selling	**2.72**	3.07
Operating	**16.62**	17.12
Netback	**$ 40.33**	$ 13.09
Crude Oil Production Volumes *(bbls/d)*	**29,376**	23,269

(1) Excludes the impact of realized financial hedging.

Foster Creek/Christina Lake crude oil prices in 2008 increased 79 percent compared to 2007. This increase reflects the changes in benchmark WTI and WCS crude oil prices compared to 2007.

Foster Creek/Christina Lake crude oil per unit transportation and selling costs in 2008 decreased 11 percent or $0.35 per bbl compared to 2007 due to variability in sales destinations and pipelines utilized to transport the bitumen volumes, offset partially by the higher U.S./Canadian dollar exchange rate.

Foster Creek/Christina Lake crude oil per unit operating costs decreased 3 percent or $0.50 per bbl in 2008 compared to 2007. The decrease is mainly due to volume growth partially offset by increased purchased fuel costs, staff levels and repairs and maintenance. In addition, operating costs for 2008 compared to 2007 were impacted by the higher U.S./Canadian dollar exchange rate and higher long-term compensation costs due to the increase in the EnCana share price.

Foster Creek/Christina Lake Depreciation, Depletion and Amortization

EnCana uses full cost accounting and calculates DD&A on a country-by-country cost centre basis.

Foster Creek/Christina Lake DD&A expenses of $28 million in 2008 decreased 7 percent compared to 2007 due to:

- Lower sales volumes attributable to changes in inventory; and
- DD&A rates in Canada for 2008 were lower than 2007 primarily as a result of the higher proved reserves offset in part by the impact of the higher U.S./Canadian dollar exchange rate.

Downstream Operations

Financial Results

($ millions)	Three Months Ended March 31	
	2008	2007
Revenues	**$ 2,046**	$ 1,343
Expenses		
Operating	**132**	100
Purchased product	**1,821**	1,134
Operating Cash Flow	**$ 93**	$ 109

The downstream business commenced on January 2, 2007 when EnCana became a 50 percent partner in the entity that owns the Wood River and Borger refineries operated by ConocoPhillips.

The Borger refinery, located in Borger, Texas, has a current capacity of approximately 146,000 bbls/d of crude oil and approximately 45,000 bbls/d of NGLs (on a 100 percent basis). The coker installed in 2007 is enabling the refinery to upgrade approximately 30,000 bbls/d of Western Canadian Select heavy crude.

The Wood River refinery, located in Roxana, Illinois, has a current capacity of approximately 306,000 bbls/d of crude oil (on a 100 percent basis). During the first quarter of 2008, the refinery undertook scheduled maintenance on one of its gasoline producing units, a catalytic cracker, resulting in lower refinery utilization rates.

The goal of the downstream business is to refine in the aggregate at the Borger and Wood River refineries approximately 275,000 bbls/d of bitumen (on a 100 percent basis) by 2015 to primarily transportation fuels. Currently, the refineries have processing capability to refine up to approximately 70,000 bbls/d of bitumen.

Revenues reflect EnCana's 50 percent share of the sale of refined petroleum products in the U.S. Operating Cash Flow during 2008 was impacted by weaker refining margins as evidenced by the Chicago 3-2-1 Crack Spread, which is disclosed in the Business Environment section of this MD&A. The Chicago 3-2-1 Crack Spread decreased 40 percent to $7.69 per bbl in the first quarter of 2008 compared to $12.90 per bbl in 2007. On a 100 percent basis, the two refineries have a combined crude oil refining capacity of 452,000 bbls/d and operated at an average 90 percent of that capacity during the first quarter of 2008 compared to 96 percent in the same period in 2007. Refined products averaged 435,000 bbls/d (217,500 bbls/d net to EnCana) in 2008 compared to 457,000 bbls/d (228,500 bbls/d net to EnCana) in 2007.

Purchased products, consisting mainly of crude oil, represented 93 percent of total expenses in 2008 compared to 92 percent in 2007. Operating costs for labour, utilities and supplies comprised the balance of expenses. Revenues and purchased product have increased 52 percent and 61 percent, respectively, in line with the significant increase in crude oil prices experienced in the quarter and the reduced refining margins.

Downstream refining DD&A was $44 million in 2008 compared to $36 million in 2007.

MARKET OPTIMIZATION

Financial Results

	Three Months Ended March 31	
($ millions)	**2008**	2007
Revenues	**$ 625**	$ 756
Expenses		
Transportation and selling	**-**	8
Operating	**11**	7
Purchased product	**607**	732
Operating Cash Flow	**7**	9
Depreciation, depletion and amortization	**4**	3
Segment Income	**$ 3**	$ 6

Market Optimization revenues and purchased product expenses relate to activities that provide operational flexibility for transportation commitments, product type, delivery points and customer diversification that enhance the sale of EnCana's production.

On January 1, 2006, EnCana adopted Emerging Issues Task Force ("EITF") Abstract No. 04-13 – Accounting for Purchases and Sales of Inventory with the Same Counterparty. The effect is to record purchases and sales of inventory that are entered into in contemplation of each other with the same counterparty on a net basis in the Consolidated Statement of Earnings. These purchases and sales are used to optimize transportation or fulfill marketing arrangements. As a result of applying this policy, reported revenues and purchased product costs included offsets of $1,247 million for the first quarter of 2008 compared to $899 million in 2007.

Revenues and Purchased product expenses decreased in 2008 compared with 2007 mainly due to overall volume decreases required for Market Optimization partially offset by increased pricing.

CORPORATE

Financial Results

	Three Months Ended March 31	
($ millions)	**2008**	2007
Revenues	**$ (1,096)**	$ (615)
Expenses		
Operating	**(2)**	(1)
Depreciation, depletion and amortization	**21**	18
Segment Income (Loss)	**$ (1,115)**	$ (632)

Revenues represent unrealized mark-to-market gains or losses related to financial natural gas and crude oil hedge contracts.

DD&A includes provisions for corporate assets, such as computer equipment, office furniture and leasehold improvements.

Consolidated Corporate Expenses

($ millions)	Three Months Ended March 31	
	2008	2007
Administrative	**$ 156**	$ 95
Interest, net	**134**	101
Accretion of asset retirement obligation	**21**	14
Foreign exchange (gain) loss, net	**95**	(12)
(Gain) loss on divestitures	**-**	(59)

Administrative expenses increased $61 million in the first quarter of 2008 compared to 2007 primarily due to higher long-term compensation expenses of $37 million as a result of the increase in the EnCana share price. The higher U.S./Canadian dollar exchange rate added an additional $15 million and the remaining increase was due to increased staff levels, higher salaries, and other related expenses.

Net interest expense in the first quarter of 2008 increased $33 million from 2007 primarily as a result of higher average outstanding debt. EnCana's total long-term debt, including current portion, increased $2,870 million to $10,107 million at March 31, 2008 compared with $7,237 million at March 31, 2007 primarily due to the Deep Bossier acquisition. EnCana's year-to-date weighted average interest rate on outstanding debt was 5.6 percent in 2008 and 2007.

The foreign exchange loss of $95 million in the first quarter of 2008 is primarily due to the effects of the U.S./Canadian dollar exchange rate applied to U.S. dollar denominated debt issued from Canada offset by revaluation of the partnership contribution receivable.

The gain on divestitures in 2007 relates to the divestiture of interests in Chad.

Summary of Unrealized Mark-to-Market Gains (Losses)

($ millions)	Three Months Ended March 31	
	2008	2007
Revenues		
Natural Gas	**$ (1,113)**	$ (555)
Crude Oil	**17**	(60)
	(1,096)	(615)
Expenses	**(3)**	(1)
	(1,093)	(614)
Income Tax Expense (Recovery)	**(356)**	(191)
Unrealized Mark-to-Market Gains (Losses), after-tax	**$ (737)**	$ (423)

Commodity price volatility impacts net earnings. As a means of managing this commodity price volatility, EnCana enters into various financial instrument agreements. The financial instrument agreements were recorded at the date of the financial statements based on mark-to-market accounting. Changes in the mark-to-market gain or loss reflected in corporate revenues are the result of volatility between periods in the forward curve commodity price market and changes in the balance of unsettled contracts. Further information regarding financial instrument agreements can be found in Note 16 to the Interim Consolidated Financial Statements.

Income Tax

The effective tax rate for the three months ended March 31, 2008 was 75.4 percent compared to 27.1 percent in 2007. The 2008 rate includes the impact of a $156 million tax charge in respect of foreign exchange gains, of which $152 million relates to future income taxes on unrealized foreign exchange gains and $4 million is reflected in current taxes for realized foreign exchange gains. If the $152 million of future income taxes is removed from the calculation, the effective tax rate for the quarter is 35.2%.

Cash taxes were $364 million in the first quarter of 2008 compared to $375 million in 2007. The decrease of $11 million is due to $48 million of lower taxes in Canada offset by $37 million of higher U.S. taxes in 2008. The increase in U.S. tax is due to increased income from U.S. upstream operations.

Further information regarding EnCana's effective tax rate can be found in Note 8 to the Interim Consolidated Financial Statements. EnCana's effective rate in any year is a function of the relationship between the amount of net earnings before income taxes for the year and the magnitude of the items representing "permanent differences" that are excluded from the earnings, which are subject to tax, either current or future. There are a variety of items of this type, including:

- The effects of asset divestitures where the tax values of the assets sold differ from their accounting values;
- Adjustments for changes to tax rates and other tax legislation, which have an impact on future income tax obligations;
- The non-taxable half of Canadian capital gains or losses; and
- Items where the income tax treatment is different from the accounting treatment.

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change. As a result, there are usually some tax matters under review. The Company believes that the provision for taxes is adequate.

NET CAPITAL INVESTMENT

Capital Summary

	Three Months Ended March 31	
($ millions)	**2008**	2007
Canada	**$ 1,069**	$ 861
United States	**519**	439
Other	**25**	18
Integrated Oil	**223**	115
Market Optimization	**2**	1
Corporate	**11**	49
Capital Investment	**1,849**	1,483
Acquisitions	**58**	7
Divestitures	**(72)**	(281)
Net Capital Investment	**$ 1,835**	$ 1,209

EnCana's Capital Investment for the three months ended March 31, 2008 was funded by Cash Flow and debt.

Capital investment during the first quarter of 2008 was primarily focused on continued development of EnCana's North American key resource plays and expansion of the Company's downstream heavy oil processing capacity through its joint venture with ConocoPhillips. As disclosed in the Foreign Exchange section of this MD&A, capital expenditures were also influenced by the rise in the average U.S./Canadian dollar exchange rate, which increased Capital Investment by $163 million.

Canada, United States and Other Capital Investment

The $295 million increase in Canada, United States and Other capital investment in the first quarter of 2008 compared to the same period in 2007 was primarily due to:

- Canada capital investment of $1,069 million in the first quarter of 2008 increased $208 million primarily due to:
  - The rise in the average U.S./Canadian dollar exchange rate which increased Canada capital by $144 million; and
  - Drilling, completion and facilities costs increased due to increased well tie-ins and a gas processing facility expansion. The Company drilled more wells in the Shallow Gas key resource play, which was offset by fewer wells in the CBM key resource play. In Canada, the Company drilled 954 net wells in the first quarter of 2008 compared to 1,094 net wells in 2007.
- U.S. capital investment increased $80 million to $519 million primarily due to increased drilling and completion activity in the East Texas and Piceance key resource plays, including incremental costs from the Deep Bossier acquisition. The number of net wells drilled in the U.S. increased slightly to 178 from 162 in 2007.

Integrated Oil Capital Investment

Integrated Oil capital investment during the first quarter of 2008 was primarily focused on continued development of the Foster Creek and Christina Lake resource plays and on capacity maintenance and bitumen expansion projects primarily at the Wood River refinery. The $108 million increase in Integrated Oil capital investment in the first quarter of 2008 compared to the same period in 2007 was primarily due to higher facility costs at Foster Creek to increase plant capacity to 120,000 bbls/d to accommodate Phases D and E expansion. In addition, drilling costs were higher due to drilling of 23 new well pairs (12 net to EnCana) at Foster Creek and 257 stratigraphic test wells (129 net to EnCana) at Foster Creek and Christina Lake related to the next phases of development. The rise in the average U.S./Canadian dollar exchange rate increased Foster Creek/Christina Lake capital by $9 million.

Corporate Capital Investment

Corporate capital investment in 2008 and 2007 included land purchases and costs related to the development of a Calgary office complex. On February 9, 2007, EnCana announced that it had completed the next phase in the development of The Bow office project with the sale of project assets and entered into a 25 year lease agreement with a third party developer. In addition, capital investment has been directed to business information systems and leasehold improvements.

Acquisitions and Divestitures

Acquisitions included minor property acquisitions in the first quarter of 2008 and 2007.

In September 2007, EnCana signed an agreement to sell its remaining interests in Brazil for approximately $165 million before closing adjustments. The sale is subject to closing conditions and regulatory approvals, and was initially expected to be completed in the first quarter of 2008. As a result of a labour dispute within the regulator in Brazil, expected approval of this transaction has been delayed. Resolution of the dispute and the timing of any subsequent approval cannot be determined with certainty at this time, but is still expected to occur in 2008.

EnCana completed the following significant divestitures in the first quarter of 2007:

- The sale of its interests in Chad for $207 million resulting in a gain on sale of $59 million; and
- The sale of The Bow office project assets for approximately $57 million, largely representing its investment at the date of sale.

Proceeds from these divestitures were directed primarily to the purchase of shares under EnCana's NCIB.

Liquidity and Capital Resources

($ millions)	Three Months Ended March 31	
	2008	2007
Net cash provided by (used in)		
Operating activities	**$ 1,758**	$ 1,908
Investing activities	**(1,534)**	(1,248)
Financing activities	**116**	(726)
Foreign exchange gain (loss) on cash and cash equivalents held in foreign currency	**(4)**	1
Increase (decrease) in cash and cash equivalents	**$ 336**	$ (65)

Operating Activities

Cash Flow was $2,389 million during the first quarter of 2008 compared to $1,752 million for the same period in 2007. Reasons for this increase are discussed under the Cash Flow section of this MD&A. Net cash provided by operating activities was also impacted by net changes in non-cash working capital, including an increase in the risk management liability offset by a decrease in income tax payable and increase in inventory.

Investing Activities

Net cash used for investing activities in the first quarter of 2008 increased $286 million compared to the same period in 2007. Capital expenditures, including property acquisitions, in the first quarter of 2008 increased $417 million compared to 2007 primarily due to the higher U.S./Canadian dollar exchange rate and increased drilling, completions and facilities costs.

Financing Activities

Net issuance of long-term debt in the first quarter of 2008 was $664 million compared to net issuance of $434 million for the same period in 2007. EnCana's debt adjusted for working capital ("net debt") was $11,930 million as at March 31, 2008 compared with $10,726 million as at December 31, 2007.

EnCana maintains numerous committed bank credit facilities and shelf prospectuses.

On January 18, 2008, EnCana completed a public offering in Canada of senior unsecured medium term notes in the aggregate principal amount of C$750 million. The notes have a coupon rate of 5.80 percent and mature on January 18, 2018. The net proceeds of the offering were used to repay a portion of EnCana's existing bank and commercial paper indebtedness.

On March 11, 2008, EnCana filed a shelf prospectus whereby it may issue from time to time up to $4.0 billion, or the equivalent in foreign currencies, of debt securities in the U.S. The shelf prospectus replaces EnCana's $2.0 billion shelf prospectus which was fully utilized.

As at March 31, 2008, EnCana had available unused committed bank credit facilities in the amount of $3.1 billion and unused capacity under shelf prospectuses, the availability of which is dependent on market conditions, for up to $7.2 billion.

EnCana maintains investment grade credit ratings on its senior unsecured debt. Standard & Poor's Ratings Service has assigned a rating of A- with a "Stable" outlook, DBRS Limited has assigned a rating of A(low) with a "Stable" trend and Moody's Investors Service has assigned a rating of Baa2 with a "Positive" outlook.

EnCana has obtained regulatory approval under Canadian securities laws to purchase Common Shares under an NCIB. During the first quarter of 2008, EnCana purchased 4.6 million of its Common Shares for total consideration of $311 million compared with 23.3 million Common Shares for total consideration of $1,094 million for the same period in 2007.

EnCana pays quarterly dividends to shareholders at the discretion of the Board of Directors. EnCana doubled its quarterly dividend to 40 cents per share in the first quarter of 2008 and payments totaled $300 million compared with $153 million for the same period in 2007. These dividends were funded by Cash Flow.

Financial Metrics

	March 31 2008	December 31 2007
Net Debt to Capitalization [1]	**38%**	34%
Net Debt to Adjusted EBITDA [2]	**1.3x**	1.2x

(1) Net Debt is a non-GAAP measure defined as Long-Term Debt plus Current Liabilities less Current Assets. Capitalization is a non-GAAP measure defined as Net Debt plus Shareholders' Equity.

(2) Trailing 12-month Adjusted EBITDA is a non-GAAP measure defined as Net Earnings from Continuing Operations before gain on divestitures, income taxes, foreign exchange gains or losses, interest net, accretion of asset retirement obligation, and depreciation, depletion and amortization.

Net Debt to Capitalization and Net Debt to Adjusted EBITDA are two ratios Management uses to steward the Company's overall debt position as measures of the Company's overall financial strength. EnCana's Net Debt to Capitalization ratio increased to 38 percent from 34 percent at December 31, 2007 primarily due to unrealized mark-to-market losses on risk management instruments which increased Net Debt. Excluding this impact, the Net Debt to Capitalization ratio would have been 35 percent at March 31, 2008 and would have remained unchanged at 34 percent as at December 31, 2007.

Free Cash Flow

EnCana's first quarter 2008 Free Cash Flow increased $271 million compared to the same period in 2007. Reasons for the increase in total Cash Flow and capital investment are discussed under the Cash Flow and Net Capital Investment sections of this MD&A.

	Three Months Ended March 31	
($ millions)	**2008**	2007
Cash Flow [1]	**$ 2,389**	$ 1,752
Capital Investment	**1,849**	1,483
Free Cash Flow [2]	**$ 540**	$ 269

(1) Cash Flow is a non-GAAP measure and is defined under the "Cash Flow" section of this MD&A.

(2) Free Cash Flow is a non-GAAP measure that EnCana defines as Cash Flow in excess of Capital Investment, excluding net acquisitions and divestitures, and is used by Management to determine the funds available for other investing and/or financing activities.

Outstanding Share Data

(millions)	March 31 2008	December 31 2007
Common Shares outstanding, beginning of year	**750.2**	777.9
Common Shares issued under option plans	**2.4**	8.3
Common Shares purchased	**(2.6)**	(36.0)
Common Shares outstanding, end of period	**750.0**	750.2
Weighted average Common Shares outstanding – diluted	**753.0**	764.6

The Company is authorized to issue an unlimited number of Common Shares, an unlimited number of First Preferred Shares and an unlimited number of Second Preferred Shares. There were no Preferred Shares outstanding as at March 31, 2008 and 2007.

Employees have been granted options to purchase Common Shares under various plans. At March 31, 2008, approximately 1.0 million options without Tandem Share Appreciation Rights ("TSARs") attached were outstanding, all of which are exercisable.

Long-term incentives may be granted to EnCana employees in the form of stock options and Performance Share Units ("PSUs"). Stock options granted after December 31, 2003 have an associated TSAR attached which gives employees the right to elect to receive a cash payment equal to the excess of the market price of EnCana's common shares over the exercise price of their stock option in exchange for surrendering their stock option. The exercise of a TSAR, for a cash payment, does not result in the issuance of any additional EnCana common shares, so has no dilutive effect. Historically, virtually all employees holding options with TSARs attached wishing to realize the value of their options have exercised their TSARs to receive a cash payment. At March 31, 2008, approximately 34.2 million options with TSARs attached were outstanding, of which 10.6 million are exercisable. During the first quarter of 2008, vesting provisions for the PSUs granted in 2005 were met and 2.0 million shares were distributed from the EnCana Employee Benefit Plan Trust. Additional information on these incentives is contained in Note 17 of the Company's audited Consolidated Financial Statements for the year ended December 31, 2007.

In 2008, EnCana granted Share Appreciation Rights ("SARs") and Performance SARs to certain employees which entitles the employee to receive a cash payment equal to the excess of the market price of EnCana's Common Shares at the time of exercise over the grant price. SARs are exercisable at 30 percent of the number granted after one year, an additional 30 percent of the number granted after two years and are fully exercisable after three years and expire five years after the grant date. Performance SARs vest and expire under the same terms and service conditions as SARs and are also subject to EnCana attaining prescribed performance relative to pre-determined key measures. Performance SARs that do not vest when eligible are forfeited.

Contractual Obligations and Contingencies

EnCana has entered into various commitments primarily related to debt, demand charges on firm transportation agreements, capital commitments and marketing agreements.

Included in EnCana's total long-term debt obligations of $10,129 million at March 31, 2008 are $1,884 million in obligations related to Bankers' Acceptances and Commercial Paper. These amounts are fully supported and Management expects that they will continue to be supported by revolving credit and term loan facilities that have no repayment requirements within the next year. Further details regarding EnCana's long-term debt are described in Note 10 to the Interim Consolidated Financial Statements.

As at March 31, 2008, EnCana remained a party to long-term, fixed price, physical contracts with a current delivery of approximately 38 MMcf/d, with varying terms and volumes through 2017. The total volume to be delivered within the terms of these contracts is 108 Bcf at a weighted average price of $4.28 per Mcf. As at March 31, 2008, these transactions had an unrealized loss of $368 million.

Leases

In the normal course of business, EnCana leases office space for personnel who support field operations and for corporate purposes.

Deep Panuke

In October 2007, EnCana received regulatory approval from the Canada-Nova Scotia Offshore Petroleum Board to develop the Deep Panuke natural gas project located about 175 kilometres offshore Nova Scotia. Expected to start production in 2010, the approximately $700 million project is expected to deliver between 200 MMcf/d and 300 MMcf/d to markets in Canada and the northeast U.S.

On January 4, 2008, EnCana signed a contract pertaining to the Production Field Center ("PFC") for the Deep Panuke project. The agreement is for Single Buoy Moorings to construct a production facility that EnCana will lease upon delivery, expected in late 2010. EnCana also has the option to purchase the facility. EnCana has determined that it has substantially all the construction period risk and consequently is reporting the PFC as an asset under construction during the construction period. Once in service, the asset will be classified as a capital lease.

The Bow

On February 9, 2007, EnCana announced that it had completed the next phase in the development of The Bow office project with the sale of project assets and has entered into a 25 year lease agreement with a third party developer. Cost of design changes to the building requested by EnCana and leasehold improvements will be the responsibility of the Company.

Variable Interest Entities ("VIEs")

On November 20, 2007, EnCana acquired certain natural gas and land interests in Texas for approximately $2.55 billion before closing adjustments. The purchase was facilitated by an unrelated party, Brown Kilgore Properties LLC ("Brown Kilgore"), which holds the majority of the assets in trust for the Company in anticipation of a qualifying like kind exchange for U.S. tax purposes. Pursuant to the agreement with Brown Kilgore, EnCana operates the properties, receives all of the revenue and pays all of the expenses associated with the properties. The arrangement with Brown Kilgore will be complete on May 18, 2008 and the assets will be transferred to EnCana at that time. EnCana has determined that the relationship with Brown Kilgore represents an interest in a VIE and that EnCana is the primary beneficiary of the VIE. EnCana has consolidated Brown Kilgore from the date of acquisition.

Legal Proceedings

EnCana is involved in various legal claims associated with the normal course of operations and believes it has made adequate provision for such legal claims.

Discontinued Merchant Energy Operations

During the period between 2003 and 2005, EnCana and its indirect wholly owned U.S. marketing subsidiary, WD Energy Services Inc. ("WD"), along with other energy companies, were named as defendants in several lawsuits, some of which were class action lawsuits, relating to sales of natural gas from 1999 to 2002. The lawsuits allege that the defendants engaged in a conspiracy with unnamed competitors in the natural gas markets in California in violation of U.S. and California anti-trust and unfair competition laws.

Without admitting any liability in the lawsuits, WD agreed to settle all of the class action lawsuits in both state and federal court for payment of $20.5 million and $2.4 million, respectively. Also, as previously disclosed, without admitting any liability whatsoever, WD concluded settlements with the U.S. Commodity Futures Trading Commission ("CFTC") for $20 million and of a previously disclosed consolidated class action lawsuit in the United States District Court in New York for $8.2 million.

The remaining lawsuits were commenced by individual plaintiffs, one of which is E. & J. Gallo Winery ("Gallo"). The Gallo lawsuit claims damages in excess of $30 million. The other remaining lawsuits do not specify the precise amount of damages claimed. California law allows for the possibility that the amount of damages assessed could be tripled.

The Company and WD intend to vigorously defend against the outstanding claims; however, the Company cannot predict the outcome of these proceedings or any future proceedings against the Company, whether these proceedings would lead to monetary damages which could have a material adverse effect on the Company's financial position, or whether there will be other proceedings arising out of these allegations.

Accounting Policies and Estimates

New Accounting Standards Adopted

As disclosed in the year-end MD&A, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3031 "Inventories", Section 3863 "Financial Instruments – Presentation", Section 3862 "Financial Instruments – Disclosures" and Section 1535 "Capital Disclosures" on January 1, 2008. The adoption of these standards has had no material impact on the Company's Net Earnings or Cash Flows. Additional information on the effects of the implementation of the new standards can be found in Note 2 to the Interim Consolidated Financial Statements.

Recent Accounting Pronouncements

As of January 1, 2009, EnCana will be required to adopt the CICA Handbook Section 3064, "Goodwill and Intangible Assets", which will replace the existing Goodwill and Intangible Assets standard. The new standard revises the requirement for recognition, measurement, presentation and disclosure of intangible assets. The adoption of this standard should not have a material impact on EnCana's Consolidated Financial Statements.

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, the AcSB confirmed in February 2008 that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP in 2011 for profit-oriented Canadian publicly accountable enterprises. As EnCana will be required to report its results in accordance with IFRS starting in 2011, the Company is assessing the potential impacts of this changeover and developing its plan accordingly.

Risk Management

EnCana's results are affected by:

- financial risks (including commodity price, foreign exchange, interest rate and credit risks);
- operational risks;
- environmental, health, safety and security risks; and
- reputational risks.

EnCana takes a proactive approach in the identification and management of risks that can affect the Company. Mitigation of these risks include, but are not limited to, the use of derivative instruments, credit policies, operational policies, maintaining adequate insurance, environmental and safety policies as well as policies and enforcement procedures that can affect EnCana's reputation. Further discussion regarding the specific risks and mitigation of these risks can be found in the December 31, 2007 Management's Discussion and Analysis and Note 16 to the Interim Consolidated Financial Statements.

Alberta Royalty Framework

On October 25, 2007, the Alberta Government announced a new Alberta Royalty Framework ("ARF"). The ARF establishes new royalties for conventional oil, natural gas and bitumen that are linked to price and production levels and apply to both new and existing conventional oil and gas activities and oil sands projects. The changes introduced by the ARF are to be effective January 1, 2009.

The significant changes to the royalty regime require new legislation, changes to existing legislation and regulation and development of proprietary software by the Alberta Government to support the calculation and collection of royalties. Additionally, certain proposed changes contemplate further public and/or industry consultation. There may be modifications introduced to the ARF prior to the implementation thereof.

Climate Change

A number of federal, provincial and state governments have announced intentions to regulate greenhouse gases ("GHG") and other air pollutants while some jurisdictions have provided details on these regulations. It is anticipated that other jurisdictions will announce emissions reduction plans in the future.

Canadian Federal GHG regulations are expected to be developed later this fall, finalized in 2009 and come into force on January 1, 2010. Additional details on the regulatory framework for greenhouse gases that was announced in April 2007 have been released, which include information on reporting thresholds, facility-specific and sector-wide and corporate-specific targets, carbon capture and storage based targets, cleaner fuel standard for new facilities (built after 2004), technology fund, emissions coverage, cogeneration, harmonization and an offsets system. These details provide some clarification on the direction the federal government would like to take on emissions policy, but specific details on the costs to the Company will not be known until additional information can be gathered from the government.

The Alberta Government has set targets for GHG emissions reductions of 14 percent below 2005 levels by 2050, with 70 percent of the reductions to come from carbon capture and storage. In March 2007, regulations were amended to require facilities that emit more than 100,000 tonnes of GHG emissions per year to reduce their emissions intensity by 12 percent from a regulated baseline starting July 1, 2007. To comply, companies can make operating improvements, purchase carbon offsets or make a C$15 per tonne contribution to an Alberta Climate Change and Management Fund.

In British Columbia, effective July 1, 2008, a 'revenue neutral carbon tax' will be applied to virtually all fossil fuels, including diesel, natural gas, coal, propane, and home heating fuel. The tax applies to combustion emissions and to the purchase or use of fossil fuels within the province. The rate starts at C$10 per tonne of carbon-equivalent emissions, rising by C$5 per tonne a year for the next four years.

As these federal and regional programs are under development, EnCana is unable to predict the total impact of the potential regulations upon its business. Therefore, it is possible that the Company could face increases in operating costs in order to comply with GHG emissions legislation. However, EnCana will continue to work with governments to develop an approach to deal with climate change issues that protects the industry's competitiveness, limits the cost and administrative burden of compliance and supports continued investment in the sector.

EnCana intends to continue its activity to reduce its emissions intensity and improve its energy efficiency. The Company's efforts with respect to emissions management are founded on the following key elements:

- our significant production weighting in natural gas;

- our recognition as an industry leader in CO_2 sequestration;
- our focus on energy efficiency and the development of technology to reduce GHG emissions;
- our involvement in the creation of industry best practices; and
- our industry leading steam to oil ratio, which translates directly into lower emissions intensity.

EnCana's strategy for addressing the implications of emerging carbon regulations is proactive and is comprised of three principal elements:

1. Manage Existing Costs
   When regulations are implemented a cost is placed on EnCana's emissions (or a portion thereof) and while these are not material at this stage, they are being actively managed to ensure compliance. Factors such as effective emissions tracking, attention to fuel consumption, and a focus on minimizing our steam to oil ratio help to support and drive our focus on cost reduction.
2. Respond to Price Signals
   As regulatory regimes for GHGs develop in the jurisdictions where we work inevitably price signals begin to emerge. We have initiated an Energy Efficiency Initiative in an effort to improve the energy efficiency of our operations. The price of potential carbon reductions plays a role in the economics of the projects that are implemented. In response to the anticipated price of carbon, where appropriate, EnCana is also attempting to realize the associated value of its reduction projects.
3. Anticipate Future Carbon Constrained Scenarios
   EnCana continues to work with governments, academics and industry leaders to develop and respond to emerging GHG regulations. By continuing to stay engaged in the debate on the most appropriate means to regulate these emissions we gain useful knowledge that allows us to explore different strategies for managing our emissions and costs. These scenarios inform our long range planning and our analyses on the implications of regulatory trends.

EnCana is committed to transparency with its stakeholders and will keep them apprised of how these issues affect operations. Additional detail on EnCana's GHG emissions is available in the Corporate Responsibility Report that is available on our website at www.encana.com.

Outlook

EnCana plans to continue to focus principally on growing natural gas and crude oil production from unconventional resource plays in North America and on developing its high quality in-situ oil resources and expanding the Company's downstream heavy oil processing capacity through its joint venture with ConocoPhillips.

Volatility in crude oil prices is expected to continue throughout 2008 as a result of market uncertainties over supply and refining disruptions, continued demand growth in China, OPEC actions, demand destruction from high energy prices and the overall state of the world economies. Canadian crude prices will face added uncertainty due to the risk of refinery disruptions in an already tight U.S. Midwest market and growing domestic production could result in pipeline constraints out of Western Canada.

Natural gas prices are primarily driven by North American supply and demand, with weather being the key factor in the short term. EnCana believes that North American conventional gas supply has peaked and that unconventional resource plays can offset conventional gas production declines over the next few years. Past this period, the industry's ability to continue to grow gas supply is expected to be challenged in North America by land access and regulatory issues.

The Company expects its 2008 capital investment program to be funded from Cash Flow and debt.

EnCana's results are affected by external market factors, such as fluctuations in the prices of crude oil and natural gas, movements in foreign currency exchange rates and inflationary pressures on service costs. Additional detail regarding the impact of these factors on EnCana's 2008 results is available in the Corporate Guidance on our website at www.encana.com. EnCana's news release dated April 22, 2008 and financial statements are available on www.sedar.com.

Advisories

FORWARD-LOOKING STATEMENTS

In the interest of providing EnCana shareholders and potential investors with information regarding the Company and its subsidiaries, including Management's assessment of EnCana's and its subsidiaries' future plans and operations, certain statements contained in this document constitute forward-looking statements or information (collectively referred to herein as "forward-looking statements") within

the meaning of the "safe harbour" provisions of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements in this document include, but are not limited to, statements with respect to: projections relating to the adequacy of the Company's provision for taxes; the potential impact of implementation of the Alberta Royalty Framework on EnCana's financial condition and projected 2008 capital investments; the expected timing of, and closing of, the sale of the Company's interests in Brazil; projections with respect to growth of natural gas production from unconventional resource plays and in-situ oil resources; the expansion of the Company's downstream heavy oil processing capacity; the projected impact of land access and regulatory issues; projections relating to the volatility of crude oil prices in 2008 and beyond and the reasons therefor; the Company's projected capital investment levels for 2008 and the source of funding therefor; the effect of the Company's risk management program, including the impact of derivative financial instruments; the Company's defence of lawsuits; the impact of the climate change initiatives on operating costs; the impact of Western Canada pipeline constraints and potential refinery disruptions on future Canadian crude oil prices; projections that the Company's Bankers' Acceptances and Commercial Paper Program will continue to be fully supported by committed credit facilities and term loan facilities; projections relating to the Company's Deep Panuke project, including projected production levels and the timing thereof and the timing for completion of project facilities; and projections relating to North American conventional natural gas supplies and the ability of unconventional resource plays to offset future conventional gas production declines over the next few years. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the Company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things: volatility of and assumptions regarding oil and gas prices; assumptions based upon EnCana's current guidance; fluctuations in currency and interest rates; product supply and demand; market competition; risks inherent in the Company's and its subsidiaries' marketing operations, including credit risks; imprecision of reserves estimates and estimates of recoverable quantities of oil, bitumen, natural gas and liquids from resource plays and other sources not currently classified as proved; the Company's and its subsidiaries' ability to replace and expand oil and gas reserves; the ability of the Company and ConocoPhillips to successfully manage and operate the North American integrated heavy oil business and the ability of the parties to obtain necessary regulatory approvals; refining and marketing margins; potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; potential failure of new products to achieve acceptance in the market; unexpected cost increases or technical difficulties in constructing or modifying manufacturing or refining facilities; unexpected difficulties in manufacturing, transporting or refining synthetic crude oil; risks associated with technology; the Company's ability to generate sufficient cash flow from operations to meet its current and future obligations; the Company's ability to access external sources of debt and equity capital; the timing and the costs of well and pipeline construction; the Company's and its subsidiaries' ability to secure adequate product transportation; changes in royalty, tax, environmental and other laws or regulations or the interpretations of such laws or regulations; political and economic conditions in the countries in which the Company and its subsidiaries operate; the risk of international war, hostilities, civil insurrection and instability affecting countries in which the Company and its subsidiaries operate and terrorist threats; risks associated with existing and potential future lawsuits and regulatory actions made against the Company and its subsidiaries; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by EnCana. Statements relating to "reserves" or "resources" or "resource potential" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future. Although EnCana believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the forward-looking statements contained in this document are made as of the date of this document, and except as required by law EnCana does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

OIL AND GAS INFORMATION

EnCana's disclosure of reserves data and other oil and gas information is made in reliance on an exemption granted to EnCana by Canadian securities regulatory authorities which permits it to provide such disclosure in accordance with U.S. disclosure requirements. The information provided by EnCana may differ from the corresponding information prepared in accordance with Canadian disclosure standards under NI 51-101. The reserves quantities disclosed by EnCana represent net proved reserves calculated using the standards contained in Regulation S-X of the U.S. Securities and Exchange Commission. Further information about the differences between the U.S. requirements and the NI 51-101 requirements is set forth under the heading "Note Regarding Reserves Data and Other Oil and Gas Information" in EnCana's Annual Information Form.

Crude Oil, NGLs and Natural Gas Conversions

In this document, certain crude oil and NGLs volumes have been converted to millions of cubic feet equivalent ("MMcfe") or thousands of cubic feet equivalent ("Mcfe") on the basis of one barrel ("bbl") to six thousand cubic feet ("Mcf"). Also, certain natural gas volumes have been converted to barrels of oil equivalent ("BOE"), thousands of BOE ("MBOE") or millions of BOE ("MMBOE") on the same basis. MMcfe, Mcfe, BOE, MBOE and MMBOE may be misleading, particularly if used in isolation. A conversion ratio of

one bbl to six Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent value equivalency at the well head.

Resource Play

Resource play is a term used by EnCana to describe an accumulation of hydrocarbons known to exist over a large areal expanse and/or thick vertical section, which when compared to a conventional play, typically has a lower geological and/or commercial development risk and lower average decline rate.

CURRENCY, NON-GAAP MEASURES AND REFERENCES TO ENCANA

All information included in this document and the Interim Consolidated Financial Statements and comparative information is shown on a U.S. dollar, after-royalties basis unless otherwise noted. Sales forecasts reflect the mid-point of current public guidance on an after royalties basis. Current Corporate Guidance assumes a U.S. dollar exchange rate of $1.00 for every Canadian dollar.

Non-GAAP Measures

Certain measures in this document do not have any standardized meaning as prescribed by Canadian GAAP such as Cash Flow, Cash Flow from Continuing Operations, Cash Flow per share – diluted, Free Cash Flow, Operating Earnings, Operating Earnings from Continuing Operations, Operating Earnings per share – diluted, Adjusted EBITDA, Net Debt and Capitalization and therefore are considered non-GAAP measures. Therefore, these measures may not be comparable to similar measures presented by other issuers. These measures have been described and presented in this document in order to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Management's use of these measures has been disclosed further in this document as these measures are discussed and presented.

References to EnCana

For convenience, references in this document to "EnCana", the "Company", "we", "us" and "our" may, where applicable, refer only to or include any relevant direct and indirect subsidiary corporations and partnerships ("Subsidiaries") of EnCana Corporation, and the assets, activities and initiatives of such Subsidiaries.

ADDITIONAL INFORMATION

Further information regarding EnCana Corporation can be accessed under the Company's public filings found at www.sedar.com and on the Company's website at www.encana.com.

CONSOLIDATED STATEMENT OF EARNINGS *(unaudited)*

($ millions, except per share amounts)		Three Months Ended March 31, 2008	2007
REVENUES, NET OF ROYALTIES	*(Note 4)*		
Upstream		**$ 3,560**	$ 2,739
Integrated Oil		**2,253**	1,556
Market Optimization		**625**	756
Corporate - Unrealized gain (loss) on risk management	*(Note 16)*	**(1,096)**	(615)
		5,342	4,436
EXPENSES	*(Note 4)*		
Production and mineral taxes		**114**	92
Transportation and selling		**320**	278
Operating		**696**	551
Purchased product		**2,393**	1,851
Depreciation, depletion and amortization		**1,035**	843
Administrative		**156**	95
Interest, net	*(Note 6)*	**134**	101
Accretion of asset retirement obligation	*(Note 11)*	**21**	14
Foreign exchange (gain) loss, net	*(Note 7)*	**95**	(12)
(Gain) loss on divestitures	*(Note 5)*	**-**	(59)
		4,964	3,754
NET EARNINGS BEFORE INCOME TAX		**378**	682
Income tax expense	*(Note 8)*	**285**	185
NET EARNINGS		**$ 93**	$ 497
NET EARNINGS PER COMMON SHARE	*(Note 15)*		
Basic		**$ 0.12**	$ 0.65
Diluted		**$ 0.12**	$ 0.64

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF RETAINED EARNINGS *(unaudited)*

($ millions)		Three Months Ended March 31, 2008	2007
RETAINED EARNINGS, BEGINNING OF YEAR		**$ 13,082**	$ 11,344
Net Earnings		**93**	497
Dividends on Common Shares		**(300)**	(153)
Charges for Normal Course Issuer Bid	*(Note 12)*	**(229)**	(816)
RETAINED EARNINGS, END OF PERIOD		**$ 12,646**	$ 10,872

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(unaudited)*

($ millions)	Three Months Ended March 31, 2008	2007
NET EARNINGS	**$ 93**	$ 497
OTHER COMPREHENSIVE INCOME, NET OF TAX		
Foreign Currency Translation Adjustment	**(400)**	111
COMPREHENSIVE INCOME	**$ (307)**	$ 608

CONSOLIDATED STATEMENT OF ACCUMULATED OTHER COMPREHENSIVE INCOME *(unaudited)*

($ millions)	Three Months Ended March 31, 2008	2007
ACCUMULATED OTHER COMPREHENSIVE INCOME, BEGINNING OF YEAR	**$ 3,063**	$ 1,375
Foreign Currency Translation Adjustment	**(400)**	111
ACCUMULATED OTHER COMPREHENSIVE INCOME, END OF PERIOD	**$ 2,663**	$ 1,486

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET *(unaudited)*

($ millions)		**As at March 31, 2008**	As at December 31, 2007
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 889**	$ 553
Accounts receivable and accrued revenues		**2,611**	2,381
Current portion of partnership contribution receivable		**301**	297
Risk management	*(Note 16)*	**113**	385
Inventories	*(Note 9)*	**1,009**	828
		4,923	4,444
Property, Plant and Equipment, net	*(Note 4)*	**35,963**	35,865
Investments and Other Assets		**583**	607
Partnership Contribution Receivable		**3,070**	3,147
Risk Management	*(Note 16)*	**179**	18
Goodwill		**2,800**	2,893
	(Note 4)	**$ 47,518**	$ 46,974
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		**$ 4,330**	$ 3,982
Income tax payable		**960**	1,150
Current portion of partnership contribution payable		**293**	288
Risk management	*(Note 16)*	**1,163**	207
Current portion of long-term debt	*(Note 10)*	**679**	703
		7,425	6,330
Long-Term Debt	*(Note 10)*	**9,428**	8,840
Other Liabilities		**340**	242
Partnership Contribution Payable		**3,088**	3,163
Risk Management	*(Note 16)*	**11**	29
Asset Retirement Obligation	*(Note 11)*	**1,404**	1,458
Future Income Taxes		**5,972**	6,208
		27,668	26,270
Shareholders' Equity			
Share capital	*(Note 12)*	**4,539**	4,479
Paid in surplus		**2**	80
Retained earnings		**12,646**	13,082
Accumulated other comprehensive income		**2,663**	3,063
Total Shareholders' Equity		**19,850**	20,704
		$ 47,518	$ 46,974

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS *(unaudited)*

($ millions)		Three Months Ended March 31, 2008	2007
OPERATING ACTIVITIES			
Net earnings		**$ 93**	$ 497
Depreciation, depletion and amortization		**1,035**	843
Future income taxes	*(Note 8)*	**(79)**	(190)
Unrealized (gain) loss on risk management	*(Note 16)*	**1,093**	614
Unrealized foreign exchange (gain) loss		**76**	(3)
Accretion of asset retirement obligation	*(Note 11)*	**21**	14
(Gain) loss on divestitures	*(Note 5)*	**-**	(59)
Other		**150**	36
Net change in other assets and liabilities		**(93)**	20
Net change in non-cash working capital		**(538)**	136
Cash From Operating Activities		**1,758**	1,908
INVESTING ACTIVITIES			
Capital expenditures	*(Note 4)*	**(1,907)**	(1,490)
Proceeds from divestitures	*(Note 5)*	**72**	281
Net change in investments and other		**9**	19
Net change in non-cash working capital		**292**	(58)
Cash (Used in) Investing Activities		**(1,534)**	(1,248)
FINANCING ACTIVITIES			
Net issuance (repayment) of revolving long-term debt		**(59)**	-
Issuance of long-term debt	*(Note 10)*	**723**	434
Issuance of common shares	*(Note 12)*	**63**	76
Purchase of common shares	*(Note 12)*	**(311)**	(1,094)
Dividends on common shares		**(300)**	(153)
Other		**-**	11
Cash From (Used in) Financing Activities		**116**	(726)
FOREIGN EXCHANGE GAIN (LOSS) ON CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCY		**(4)**	1
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**336**	(65)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		**553**	402
CASH AND CASH EQUIVALENTS, END OF PERIOD		**$ 889**	$ 337

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

1. BASIS OF PRESENTATION

The interim Consolidated Financial Statements include the accounts of EnCana Corporation and its subsidiaries ("EnCana" or the "Company"), and are presented in accordance with Canadian generally accepted accounting principles. EnCana's operations are in the business of exploration for, and development, production and marketing of natural gas, crude oil and natural gas liquids ("NGLs"), refining operations and power generation operations.

The interim Consolidated Financial Statements have been prepared following the same accounting policies and methods of computation as the annual audited Consolidated Financial Statements for the year ended December 31, 2007, except as noted below. The disclosures provided below are incremental to those included with the annual audited Consolidated Financial Statements. The interim Consolidated Financial Statements should be read in conjunction with the annual audited Consolidated Financial Statements and the notes thereto for the year ended December 31, 2007.

2. CHANGES IN ACCOUNTING POLICIES AND PRACTICES

As disclosed in the December 31, 2007 annual audited Consolidated Financial Statements, on January 1, 2008, the Company adopted the following Canadian Institute of Chartered Accountants ("CICA") Handbook Sections:

- "Inventories", Section 3031. The new standard replaces the previous inventories standard and requires inventory to be valued on a first-in, first-out or weighted average basis, which is consistent with EnCana's former accounting policy. The new standard allows the reversal of previous write-downs to net realizable value when there is a subsequent increase in the value of inventories. The adoption of this standard has had no material impact on EnCana's Consolidated Financial Statements.
- "Financial Instruments – Presentation", Section 3863 and "Financial Instruments – Disclosures", Section 3862. The new disclosure standard increases EnCana's disclosure regarding the nature and extent of the risks associated with financial instruments and how those risks are managed (See Note 16). The new presentation standard carries forward the former presentation requirements.
- "Capital Disclosures", Section 1535. The new standard requires EnCana to disclose its objectives, policies and processes for managing its capital structure (See Note 13).

3. RECENT ACCOUNTING PRONOUNCEMENTS

As of January 1, 2009, EnCana will be required to adopt the CICA Handbook Section 3064, "Goodwill and Intangible Assets", which will replace the existing Goodwill and Intangible Assets standard. The new standard revises the requirement for recognition, measurement, presentation and disclosure of intangible assets. The adoption of this standard should not have a material impact on EnCana's Consolidated Financial Statements.

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, the AcSB confirmed in February 2008 that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP in 2011 for profit-oriented Canadian publicly accountable enterprises. As EnCana will be required to report its results in accordance with IFRS starting in 2011, the Company is assessing the potential impacts of this changeover and developing its plan accordingly.

4. SEGMENTED INFORMATION

The Company has defined its continuing operations into the following segments:

- **Canada, United States and Other** includes the Company's upstream exploration for, and development and production of natural gas, crude oil and NGLs and other related activities. The majority of the Company's upstream operations are located in Canada and the United States. Offshore and international exploration is mainly focused on opportunities in Atlantic Canada, the Middle East and Europe.
- **Integrated Oil** is focused on two lines of business: the exploration for, and development and production of bitumen in Canada using in-situ recovery methods; and the refining of crude oil into petroleum and chemical products located in the United States. This segment represents EnCana's 50 percent interest in the joint venture with ConocoPhillips.
- **Market Optimization** is conducted by the Midstream & Marketing division. The Marketing groups' primary responsibility is the sale of the Company's proprietary production. The results are included in the Canada, United States and Integrated Oil segments. Correspondingly, the Marketing groups also undertake market optimization activities which comprise third-party purchases and sales of product that provide operational flexibility for transportation commitments, product type, delivery points and customer diversification. These activities are reflected in the Market Optimization segment.
- **Corporate** includes unrealized gains or losses recorded on derivative financial instruments. Once amounts are settled, the realized gains and losses are recorded in the operating segment to which the derivative instrument relates.

Market Optimization markets substantially all of the Company's upstream production to third-party customers. Transactions between business segments are based on market values and eliminated on consolidation. The tables in this note present financial information on an after eliminations basis.

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

4. SEGMENTED INFORMATION (continued)

Results of Operations (For the three months ended March 31)

	Upstream					
	Canada		United States		Other	
	2008	2007	**2008**	2007	**2008**	2007
Revenues, Net of Royalties	**$ 2,184**	$ 1,763	**$ 1,282**	$ 885	**$ 94**	$ 91
Expenses						
Production and mineral taxes	**18**	28	**96**	64	**-**	-
Transportation and selling	**85**	80	**115**	66	**-**	-
Operating	**332**	237	**101**	75	**77**	81
Purchased product	**-**	-	**-**	-	**-**	-
Depreciation, depletion and amortization	**541**	490	**391**	260	**6**	6
Segment Income (Loss)	**$ 1,208**	$ 928	**$ 579**	$ 420	**$ 11**	$ 4

	Total Upstream		Integrated Oil		Market Optimization	
	2008	2007	**2008**	2007	**2008**	2007
Revenues, Net of Royalties	**$ 3,560**	$ 2,739	**$ 2,253**	$ 1,556	**$ 625**	$ 756
Expenses						
Production and mineral taxes	**114**	92	**-**	-	**-**	-
Transportation and selling	**200**	146	**120**	124	**-**	8
Operating	**510**	393	**177**	152	**11**	7
Purchased product	**-**	-	**1,786**	1,119	**607**	732
Depreciation, depletion and amortization	**938**	756	**72**	66	**4**	3
Segment Income (Loss)	**$ 1,798**	$ 1,352	**$ 98**	$ 95	**$ 3**	$ 6

	Corporate		Consolidated	
	2008	2007	**2008**	2007
Revenues, Net of Royalties	**$ (1,096)**	$ (615)	**$ 5,342**	$ 4,436
Expenses				
Production and mineral taxes	**-**	-	**114**	92
Transportation and selling	**-**	-	**320**	278
Operating	**(2)**	(1)	**696**	551
Purchased product	**-**	-	**2,393**	1,851
Depreciation, depletion and amortization	**21**	18	**1,035**	843
Segment Income (Loss)	**$ (1,115)**	$ (632)	**784**	821
Administrative			**156**	95
Interest, net			**134**	101
Accretion of asset retirement obligation			**21**	14
Foreign exchange (gain) loss, net			**95**	(12)
(Gain) loss on divestitures			**-**	(59)
			406	139
Net Earnings Before Income Tax			**378**	682
Income tax expense			**285**	185
Net Earnings			**$ 93**	$ 497

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

4. SEGMENTED INFORMATION (continued)

Results of Operations (For the three months ended March 31)

Geographic and Product Information

	Produced Gas					
	Canada		United States		Total	
	2008	2007	**2008**	2007	**2008**	2007
Revenues, Net of Royalties	**$ 1,549**	$ 1,388	**$ 1,183**	$ 831	**$ 2,732**	$ 2,219
Expenses						
Production and mineral taxes	**8**	20	**87**	58	**95**	78
Transportation and selling	**75**	70	**115**	66	**190**	136
Operating	**247**	177	**101**	75	**348**	252
Operating Cash Flow	**$ 1,219**	$ 1,121	**$ 880**	$ 632	**$ 2,099**	$ 1,753

	Oil & NGLs					
	Canada		United States		Total	
	2008	2007	**2008**	2007	**2008**	2007
Revenues, Net of Royalties	**$ 635**	$ 375	**$ 99**	$ 54	**$ 734**	$ 429
Expenses						
Production and mineral taxes	**10**	8	**9**	6	**19**	14
Transportation and selling	**10**	10	**-**	-	**10**	10
Operating	**85**	60	**-**	-	**85**	60
Operating Cash Flow	**$ 530**	$ 297	**$ 90**	$ 48	**$ 620**	$ 345

	Integrated Oil					
	Oil		Downstream Refining		Other	
	2008	2007	**2008**	2007	**2008**	2007
Revenues, Net of Royalties	**$ 238**	$ 220	**$ 2,046**	$ 1,343	**$ (31)**	$ (7)
Expenses						
Transportation and selling	**120**	124	**-**	-	**-**	-
Operating	**41**	49	**132**	100	**4**	3
Purchased product	**-**	-	**1,821**	1,134	**(35)**	(15)
Operating Cash Flow	**$ 77**	$ 47	**$ 93**	$ 109	**$ -**	$ 5

	Integrated Oil	
	Total	
	2008	2007
Revenues, Net of Royalties	**$ 2,253**	$ 1,556
Expenses		
Transportation and selling	**120**	124
Operating	**177**	152
Purchased product	**1,786**	1,119
Operating Cash Flow	**$ 170**	$ 161

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

4. SEGMENTED INFORMATION (continued)

Capital Expenditures

	Three Months Ended March 31,	
	2008	2007
Capital		
Canada	**$ 1,069**	$ 861
United States	**519**	439
Other	**25**	18
Integrated Oil	**223**	115
Market Optimization	**2**	1
Corporate	**11**	49
	1,849	1,483
Acquisition Capital		
Canada	**72**	7
United States *	**(14)**	-
	58	7
Total	**$ 1,907**	$ 1,490

* Includes purchase price adjustments for the November 2007 Leor acquisition in East Texas.

On November 20, 2007, EnCana acquired certain natural gas and land interests in Texas for approximately $2.55 billion before closing adjustments. The purchase was facilitated by an unrelated party, Brown Kilgore Properties LLC ("Brown Kilgore"), which holds the majority of the assets in trust for the Company in anticipation of a qualifying like kind exchange for U.S. tax purposes. Pursuant to the agreement with Brown Kilgore, EnCana operates the properties, receives all the revenue and pays all of the expenses associated with the properties. The arrangement with Brown Kilgore will be complete on May 18, 2008 and the assets will be transferred to EnCana at that time. EnCana has determined that the relationship with Brown Kilgore represents an interest in a Variable Interest Entity ("VIE") and that EnCana is the primary beneficiary of the VIE. EnCana has consolidated Brown Kilgore from the date of acquisition.

Property, Plant and Equipment and Total Assets by Segment

	Property, Plant and Equipment		Total Assets	
	As at		As at	
	March 31, 2008	December 31, 2007	**March 31, 2008**	December 31, 2007
Canada	**$ 17,365**	$ 17,537	**$ 21,087**	$ 21,335
United States	**11,979**	11,879	**13,203**	12,948
Other	**1,141**	1,104	**1,186**	1,135
Integrated Oil	**4,835**	4,721	**9,720**	9,597
Market Optimization	**163**	171	**569**	478
Corporate	**480**	453	**1,753**	1,481
Total	**$ 35,963**	$ 35,865	**$ 47,518**	$ 46,974

On February 9, 2007, EnCana announced that it had completed the next phase in the development of The Bow office project with the sale of project assets and has entered into a 25 year lease agreement with a third party developer. As at March 31, 2008, Corporate Property, Plant and Equipment and Total Assets includes EnCana's accrual to date of $185 million ($147 million at December 31, 2007) related to this office project as an asset under construction.

On January 4, 2008, EnCana signed the contract for the production field centre ("PFC") for the Deep Panuke project. As at March 31, 2008, Other Property, Plant, and Equipment and Total Assets includes EnCana's accrual to date of $34 million related to this offshore facility as an asset under construction.

Corresponding liabilities for these projects are included in Other Liabilities in the Consolidated Balance Sheet. There is no effect on the Company's net earnings or cash flows related to the capitalization of The Bow office project or the Deep Panuke PFC.

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

5. DIVESTITURES

Total year-to-date proceeds received on sale of assets and investments were $72 million (2007 - $281 million) as described below:

Canada and United States
In 2008, the Company completed the divestiture of mature conventional oil and natural gas assets for proceeds of $72 million (2007 - $17 million).

Other
In January 2007, the Company completed the sale of its interests in Chad, properties that were in the pre-production stage, for proceeds of $207 million which resulted in a gain on sale of $59 million.

Corporate
In February 2007, the Company sold The Bow office project assets for proceeds of approximately $57 million, representing its investment at the date of sale. Refer to Note 4 for further discussion of The Bow office project assets.

6. INTEREST, NET

	Three Months Ended March 31,	
	2008	2007
Interest Expense - Long-Term Debt	**$ 140**	$ 100
Interest Expense - Other *	**54**	63
Interest Income *	**(60)**	(62)
	$ 134	$ 101

* Interest Expense - Other and Interest Income are primarily due to the Partnership Contribution Payable and Receivable, respectively.

7. FOREIGN EXCHANGE (GAIN) LOSS, NET

	Three Months Ended March 31,	
	2008	2007
Unrealized Foreign Exchange (Gain) Loss on:		
Translation of U.S. dollar debt issued from Canada	**$ 217**	$ (41)
Translation of U.S. dollar partnership contribution receivable issued from Canada	**(143)**	38
Other Foreign Exchange (Gain) Loss	**21**	(9)
	$ 95	$ (12)

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

8. INCOME TAXES

The provision for income taxes is as follows:

	Three Months Ended March 31,	
	2008	2007
Current		
Canada	**$ 234**	$ 282
United States	**129**	92
Other Countries	**1**	1
Total Current Tax	**364**	375
Future	**(79)**	(190)
	$ 285	$ 185

The following table reconciles income taxes calculated at the Canadian statutory rate with the actual income taxes:

	Three Months Ended March 31,	
	2008	2007
Net Earnings Before Income Tax	**$ 378**	$ 682
Canadian Statutory Rate	**29.7%**	32.3%
Expected Income Tax	**112**	220
Effect on Taxes Resulting from:		
Statutory and other rate differences	**3**	5
Non-taxable downstream partnership income	**1**	(6)
International financing	**(80)**	(15)
Foreign exchange gains not included in net earnings	**156**	-
Non-taxable capital (gains) losses	**15**	(20)
Other	**78**	1
	$ 285	$ 185
Effective Tax Rate	**75.4%**	27.1%

9. INVENTORIES

	As at March 31, 2008	As at December 31, 2007
Product		
United States	**$ -**	$ 2
Integrated Oil	**794**	646
Market Optimization	**214**	180
Parts and Supplies	**1**	-
	$ 1,009	$ 828

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

10. LONG-TERM DEBT

	As at March 31, 2008	As at December 31, 2007
Canadian Dollar Denominated Debt		
Revolving credit and term loan borrowings	**$ 1,621**	$ 1,506
Unsecured notes	**1,824**	1,138
	3,445	2,644
U.S. Dollar Denominated Debt		
Revolving credit and term loan borrowings	**263**	495
Unsecured notes	**6,421**	6,421
	6,684	6,916
Increase in Value of Debt Acquired *	**62**	66
Debt Discounts and Financing Costs	**(84)**	(83)
Current Portion of Long-Term Debt	**(679)**	(703)
	$ 9,428	$ 8,840

* Certain of the notes and debentures of EnCana were acquired in business combinations and were accounted for at their fair value at the dates of acquisition. The difference between the fair value and the principal amount of the debt is being amortized over the remaining life of the outstanding debt acquired, approximately 21 years.

On January 18, 2008, EnCana completed a public offering in Canada of senior unsecured medium term notes in the aggregate principal amount of C$750 million. The notes have a coupon rate of 5.80 percent and mature on January 18, 2018.

11. ASSET RETIREMENT OBLIGATION

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligation associated with the retirement of oil and gas assets and refining facilities:

	As at March 31, 2008	As at December 31, 2007
Asset Retirement Obligation, Beginning of Year	**$ 1,458**	$ 1,051
Liabilities Incurred	**19**	89
Liabilities Settled	**(41)**	(100)
Liabilities Divested	**(2)**	-
Change in Estimated Future Cash Flows	**(5)**	184
Accretion Expense	**21**	64
Other	**(46)**	170
Asset Retirement Obligation, End of Period	**$ 1,404**	$ 1,458

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

12. SHARE CAPITAL

(millions)	March 31, 2008 Number		March 31, 2008 Amount	December 31, 2007 Number		December 31, 2007 Amount
Common Shares Outstanding, Beginning of Year	**750.2**	**$**	**4,479**	777.9	$	4,587
Common Shares Issued under Option Plans	**2.4**		**63**	8.3		176
Stock-Based Compensation	**-**		**9**	-		17
Common Shares Purchased	**(2.6)**		**(12)**	(36.0)		(301)
Common Shares Outstanding, End of Period	**750.0**	**$**	**4,539**	750.2	$	4,479

Normal Course Issuer Bid

To March 31, 2008, the Company purchased 4.6 million Common Shares for total consideration of approximately $311 million. Of the amount paid, $28 million was charged to Share capital and $283 million was charged to Retained earnings. Included in the Common Shares Purchased in 2008 are 2.0 million Common Shares distributed (2007 - 2.9 million), valued at $16 million (2007 - $24 million), from the EnCana Employee Benefit Plan Trust that vested under EnCana's Performance Share Unit Plan (See Note 14). For these Common Shares distributed, there was a $54 million adjustment to Retained earnings (2007 - $82 million) with a reduction to Paid in surplus of $70 million (2007 - $106 million).

EnCana has received regulatory approval each year under Canadian securities laws to purchase Common Shares under six consecutive Normal Course Issuer Bids ("Bids"). EnCana is entitled to purchase, for cancellation, up to approximately 75.1 million Common Shares under the renewed Bid which commenced on November 13, 2007 and terminates on November 12, 2008.

Stock Options

EnCana has stock-based compensation plans that allow employees to purchase Common Shares of the Company. Option exercise prices approximate the market price for the Common Shares on the date the options were issued. Options granted under the plans are generally fully exercisable after three years and expire five years after the date granted. Options granted under predecessor and/or related company replacement plans expire up to 10 years from the date the options were granted.

The following tables summarize the information about options to purchase Common Shares that do not have Tandem Share Appreciation Rights ("TSARs") attached to them at March 31, 2008. Information related to TSARs is included in Note 14.

	Stock Options *(millions)*	**Weighted Average Exercise Price** *(C$)*
Outstanding, Beginning of Year	**3.4**	**21.82**
Exercised	**(2.4)**	**23.84**
Outstanding, End of Period	**1.0**	**17.33**
Exercisable, End of Period	**1.0**	**17.33**

	Outstanding Options			**Exercisable Options**	
Range of Exercise Price (C$)	Number of Options Outstanding *(millions)*	Weighted Average Remaining Contractual Life *(years)*	Weighted Average Exercise Price *(C$)*	Number of Options Outstanding *(millions)*	Weighted Average Exercise Price *(C$)*
11.00 to 21.99	0.5	1.6	11.58	0.5	11.58
22.00 to 23.99	0.4	0.1	23.78	0.4	23.78
24.00 to 25.99	0.1	0.5	25.20	0.1	25.20
	1.0	0.9	17.33	1.0	17.33

At March 31, 2008, the balance in Paid in surplus relates to stock-based compensation programs.

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

13. CAPITAL STRUCTURE

The Company's capital structure is comprised of Shareholders' Equity plus Long-Term Debt. The Company's objectives when managing its capital structure are to:

i) maintain financial flexibility so as to preserve EnCana's access to capital markets and its ability to meet its financial obligations; and
ii) finance internally generated growth as well as potential acquisitions.

The Company monitors its capital structure and short-term financing requirements using non-GAAP financial metrics consisting of Net Debt to Capitalization and Net Debt to Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"). The metrics are used to steward the Company's overall debt position as measures of the Company's overall financial strength.

EnCana targets a Net Debt to Capitalization ratio of between 30 and 40 percent that is calculated as follows:

	As at	
	March 31, 2008	December 31, 2007
Long-Term Debt, excluding current portion	**$ 9,428**	$ 8,840
Less: Working capital	**(2,502)**	(1,886)
Net Debt	**11,930**	10,726
Total Shareholders' Equity	**19,850**	20,704
Total Capitalization	**$ 31,780**	$ 31,430
Net Debt to Capitalization ratio	**38%**	34%

EnCana's Net Debt to Capitalization ratio increased to 38 percent from 34 percent at December 31, 2007 primarily due to unrealized mark-to-market losses on risk management instruments which increased Net Debt. Excluding this impact, the Net Debt to Capitalization ratio would have been 35 percent at March 31, 2008 and would have remained unchanged at 34 percent as at December 31, 2007.

EnCana targets a Net Debt to Adjusted EBITDA of 1.0 to 2.0 times. At March 31, 2008, the Net Debt to Adjusted EBITDA was 1.3x (December 31, 2007 - 1.2x) calculated on a trailing twelve-month basis as follows:

	As at	
	March 31, 2008	December 31, 2007
Net Debt	**$ 11,930**	$ 10,726
Net Earnings from Continuing Operations	**$ 3,480**	$ 3,884
Add (deduct):		
Interest, net	**461**	428
Income tax expense	**1,037**	937
Depreciation, depletion and amortization	**4,008**	3,816
Accretion of asset retirement obligation	**71**	64
Foreign exchange (gain) loss, net	**(57)**	(164)
(Gain) loss on divestitures	**(6)**	(65)
Adjusted EBITDA	**$ 8,994**	$ 8,900
Net Debt to Adjusted EBITDA	**1.3x**	1.2x

EnCana manages its capital structure and makes adjustments according to market conditions to maintain flexibility while achieving the objectives stated above. To manage the capital structure, the Company may adjust capital spending, adjust dividends paid to shareholders, purchase shares for cancellation pursuant to normal course issuer bids, issue new shares, issue new debt or repay existing debt.

The Company's capital management objectives, evaluation measures, definitions and targets have remained unchanged over the periods presented. EnCana is subject to certain financial covenants in its credit facility agreements and is in compliance with all financial covenants.

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

14. COMPENSATION PLANS

The tables below outline certain information related to EnCana's compensation plans at March 31, 2008. Additional information is contained in Note 17 of the Company's annual audited Consolidated Financial Statements for the year ended December 31, 2007.

A) Pensions

The following table summarizes the net benefit plan expense:

	Three Months Ended March 31,	
	2008	2007
Current Service Cost	**$ 4**	$ 4
Interest Cost	**5**	4
Expected Return on Plan Assets	**(5)**	(4)
Expected Actuarial Loss on Accrued Benefit Obligation	**1**	1
Expected Amortization of Past Service Costs	**1**	-
Amortization of Transitional Obligation	**(1)**	-
Expense for Defined Contribution Plan	**10**	7
Net Benefit Plan Expense	**$ 15**	$ 12

For the period ended March 31, 2008, no contributions have been made to the defined benefit pension plans (2007 - nil).

B) Tandem Share Appreciation Rights ("TSARs")

The following table summarizes the information about TSARs at March 31, 2008:

	Outstanding TSARs	**Weighted Average Exercise Price**
Canadian Dollar Denominated ***(C$)***		
Outstanding, Beginning of Year	**18,854,141**	**50.49**
Granted	**3,794,570**	**69.40**
Exercised - SARs	**(1,841,136)**	**43.43**
Exercised - Options	**(21,285)**	**41.22**
Forfeited	**(86,111)**	**54.31**
Outstanding, End of Period	**20,700,179**	**54.01**
Exercisable, End of Period	**9,037,534**	**45.06**

For the period ended March 31, 2008, EnCana recorded compensation costs of $169 million related to the outstanding TSARs (2007 - $58 million).

C) Performance Tandem Share Appreciation Rights ("Performance TSARs")

The following table summarizes the information about Performance TSARs at March 31, 2008:

	Outstanding TSARs	**Weighted Average Exercise Price**
Canadian Dollar Denominated ***(C$)***		
Outstanding, Beginning of Year	**6,930,925**	**56.09**
Granted	**7,058,540**	**69.40**
Exercised - SARs	**(163,471)**	**56.09**
Forfeited	**(360,713)**	**57.57**
Outstanding, End of Period	**13,465,281**	**63.03**
Exercisable, End of Period	**1,597,657**	**56.09**

For the period ended March 31, 2008, EnCana recorded compensation costs of $46 million related to the outstanding Performance TSARs (2007 - $2 million).

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

14. COMPENSATION PLANS (continued)

D) Share Appreciation Rights ("SARs")

In 2008, EnCana granted SARs to certain employees which entitles the employee to receive a cash payment equal to the excess of the market price of EnCana's Common Shares at the time of exercise over the grant price. SARs are exercisable at 30 percent of the number granted after one year, an additional 30 percent of the number granted after two years and are fully exercisable after three years and expire five years after the grant date.

The following table summarizes the information about SARs at March 31, 2008:

	Outstanding SARs	Weighted Average Exercise Price
Canadian Dollar Denominated *(C$)*		
Outstanding, Beginning of Year	**-**	**-**
Granted	**846,015**	**69.46**
Forfeited	**(15,200)**	**69.40**
Outstanding, End of Period	**830,815**	**69.46**
Exercisable, End of Period	**-**	**-**

For the period ended March 31, 2008, EnCana recorded compensation costs of $1 million related to the outstanding SARs (2007 - nil).

E) Performance Share Appreciation Rights ("Performance SARs")

In 2008, EnCana granted Performance SARs to certain employees which entitles the employee to receive a cash payment equal to the excess of the market price of EnCana's Common Shares at the time of exercise over the grant price. Performance SARs vest and expire under the same terms and service conditions as SARs and are also subject to EnCana attaining prescribed performance relative to pre-determined key measures. Performance SARs that do not vest when eligible are forfeited.

The following table summarizes the information about Performance SARs at March 31, 2008:

	Outstanding SARs	Weighted Average Exercise Price
Canadian Dollar Denominated *(C$)*		
Outstanding, Beginning of Year	**-**	**-**
Granted	**1,677,030**	**69.40**
Forfeited	**(30,400)**	**69.40**
Outstanding, End of Period	**1,646,630**	**69.40**
Exercisable, End of Period	**-**	**-**

For the period ended March 31, 2008, EnCana recorded compensation costs of $1 million related to the outstanding Performance SARs (2007 - nil).

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

14. COMPENSATION PLANS (continued)

F) Deferred Share Units ("DSUs")

The following table summarizes the information about DSUs at March 31, 2008:

	Outstanding DSUs	Average Share Price
Canadian Dollar Denominated *(C$)*		
Outstanding, Beginning of Year	**589,174**	**33.78**
Granted, Directors	**76,165**	**66.19**
Units, in Lieu of Dividends	**3,353**	**78.20**
Outstanding, End of Period	**668,692**	**37.71**
Exercisable, End of Period	**668,692**	**37.71**

For the period ended March 31, 2008, EnCana recorded compensation costs of $12 million related to the outstanding DSUs (2007 - $8 million).

G) Performance Share Units ("PSUs")

The following table summarizes the information about PSUs at March 31, 2008:

	Outstanding PSUs	Average Share Price
Canadian Dollar Denominated *(C$)*		
Outstanding, Beginning of Year	**1,685,036**	**38.79**
Granted	**408,686**	**70.77**
Distributed	**(2,042,541)**	**45.34**
Forfeited	**(51,181)**	**38.32**
Outstanding, End of Period	**-**	**-**

For the period ended March 31, 2008, EnCana recorded compensation costs of $1 million related to the outstanding PSUs (2007 - $10 million).

15. PER SHARE AMOUNTS

The following table summarizes the Common Shares used in calculating Net Earnings per Common Share:

	Three Months Ended March 31,	
(millions)	**2008**	2007
Weighted Average Common Shares Outstanding - Basic	**749.5**	768.4
Effect of Dilutive Securities	**3.5**	11.2
Weighted Average Common Shares Outstanding - Diluted	**753.0**	779.6

Notes to Consolidated Financial Statements *(unaudited)*
(All amounts in $ millions unless otherwise specified)

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

EnCana's financial assets and liabilities are comprised of cash and cash equivalents, accounts receivable and accrued revenues, accounts payable and accrued liabilities, the partnership contribution receivable and payable, risk management assets and liabilities, and long-term debt. Risk management assets and liabilities arise from the use of derivative financial instruments. Fair values of financial assets and liabilities, summarized information related to risk management positions, and discussion of risks associated with financial assets and liabilities are presented as follows.

A) Fair Value of Financial Assets and Liabilities

The fair values of cash and cash equivalents, accounts receivable and accrued revenues, and accounts payable and accrued liabilities approximate their carrying amount due to the short-term maturity of those instruments.

Risk management assets and liabilities are recorded at their estimated fair value based on the mark-to-market method of accounting, using quoted market prices or, in their absence, third-party market indications and forecasts. Long-term debt is carried at amortized cost using the effective interest method of amortization. The estimated fair values of long-term borrowings have been determined based on market information where available, or by discounting future payments of interest and principal at estimated interest rates expected to be available to the Company at period end.

The fair values of the partnership contribution receivable and partnership contribution payable approximate their carrying amount due to the specific nature of these instruments in relation to the creation of the integrated oil joint venture. Further information about these notes is disclosed in Note 10 to the Company's annual audited Consolidated Financial Statements.

The fair value of financial assets and liabilities were as follows:

	As at March 31, 2008		As at December 31, 2007	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Held-for-Trading:				
Cash and cash equivalents	**$ 889**	**$ 889**	$ 553	$ 553
Risk management assets *	**292**	**292**	403	403
Loans and Receivables:				
Accounts receivable and accrued revenues	**2,611**	**2,611**	2,381	2,381
Partnership contribution receivable *	**3,371**	**3,371**	3,444	3,444
Financial Liabilities				
Held-for-Trading:				
Risk management liabilities *	**$ 1,174**	**$ 1,174**	$ 236	$ 236
Other Financial Liabilities:				
Accounts payable and accrued liabilities	**4,330**	**4,330**	3,982	3,982
Long-term debt *	**10,107**	**10,275**	9,543	9,763
Partnership contribution payable *	**3,381**	**3,381**	3,451	3,451

* Including current portion.

B) Risk Management Assets and Liabilities

Net Risk Management Position	**As at March 31, 2008**	As at December 31, 2007
Risk Management		
Current asset	**$ 113**	$ 385
Long-term asset	**179**	18
	292	403
Risk Management		
Current liability	**1,163**	207
Long-term liability	**11**	29
	1,174	236
Net Risk Management Asset (Liability)	**$ (882)**	$ 167

Notes to Consolidated Financial Statements *(unaudited)*
(All amounts in $ millions unless otherwise specified)

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

B) Risk Management Assets and Liabilities (continued)

Summary of Unrealized Risk Management Positions

	As at March 31, 2008			As at December 31, 2007		
	Risk Management			Risk Management		
	Asset	Liability	Net	Asset	Liability	Net
Commodity Prices						
Natural gas	$ 265	$ 988	$ (723)	$ 375	$ 29	$ 346
Crude oil	-	186	(186)	6	205	(199)
Power	25	-	25	19	-	19
Interest Rates	2	-	2	2	-	2
Credit	-	-	-	1	2	(1)
Total Fair Value	$ 292	$ 1,174	$ (882)	$ 403	$ 236	$ 167

Net Fair Value Methodologies Used to Calculate Unrealized Risk Management Positions

	As at March 31, 2008	As at December 31, 2007
Prices actively quoted	$ (802)	$ 148
Prices sourced from observable data or market corroboration	(80)	19
Total Fair Value	$ (882)	$ 167

Prices actively quoted refers to the fair value of contracts valued using quoted prices in an active market. Prices sourced from observable data or market corroboration refers to the fair value of contracts valued in part using active quotes and in part using observable, market-corroborated data.

Net Fair Value of Commodity Price Positions at March 31, 2008

	Notional Volumes	Term	Average Price	Fair Market Value
Natural Gas Sales Contracts				
Fixed Price Contracts				
NYMEX Fixed Price	1,614 MMcf/d	2008	8.04 US$/Mcf	$ (938)
NYMEX Fixed Price	208 MMcf/d	2009	8.85 US$/Mcf	(66)
Options				
Purchased NYMEX Call Options	(309) MMcf/d	2008	10.51 US$/Mcf	11
Basis Contracts				
Canada	188 MMcf/d	2008	(0.77) US$/Mcf	16
United States	1,061 MMcf/d	2008	(1.29) US$/Mcf	55
Canada and United States *		2009-2011		163
				(759)
Other Financial Positions **				(8)
Total Unrealized Loss on Financial Contracts				(767)
Paid Premiums on Unexpired Options				44
Natural Gas Fair Value Position				$ (723)
Crude Oil Sales Contracts				
Fixed Price Contracts				
WTI NYMEX Fixed Price	23,000 bbls/d	2008	70.13 US$/bbl	$ (183)
Other Financial Positions **				(3)
Crude Oil Fair Value Position				$ (186)
Power Sales Contracts				
Power Fair Value Position				$ 25

* EnCana has entered into swaps to protect against widening natural gas price differentials between production areas, including Canada, the U.S. Rockies and Texas, and various sales points. These basis swaps are priced using both fixed prices and basis prices determined as a percentage of NYMEX.

** Other financial positions are part of the ongoing operations of the Company's proprietary production management.

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

B) Risk Management Assets and Liabilities (continued)

Net Earnings Impact of Realized and Unrealized Gains (Losses) on Risk Management Positions

	Realized Gain (Loss) Three Months Ended March 31,	
	2008	2007
Revenues, Net of Royalties	**$ 20**	$ 315
Operating Expenses and Other	**2**	1
Gain (Loss) on Risk Management	**$ 22**	$ 316

	Unrealized Gain (Loss) Three Months Ended March 31,	
	2008	2007
Revenues, Net of Royalties	**$ (1,096)**	$ (615)
Operating Expenses and Other	**3**	1
Gain (Loss) on Risk Management	**$ (1,093)**	$ (614)

Reconciliation of Unrealized Risk Management Positions from January 1 to March 31, 2008

	2008		2007
	Fair Market Value	**Total Unrealized Gain (Loss)**	Total Unrealized Gain (Loss)
Fair Value of Contracts, Beginning of Year	**$ 167**		
Change in Fair Value of Contracts in Place at Beginning of Year and Contracts Entered into During the Period	**(1,071)**	**$ (1,071)**	$ (301)
Fair Value of Contracts in Place at Transition that Expired During the Period	**-**	**-**	3
Fair Value of Contracts Realized During the Period	**(22)**	**(22)**	(316)
Fair Value of Contracts Outstanding	**$ (926)**	**$ (1,093)**	$ (614)
Paid Premiums on Unexpired Options	**44**		
Fair Value of Contracts and Premiums Paid, End of Period	**$ (882)**		

Commodity Price Sensitivities

The following table summarizes the sensitivity of the fair value of the Company's risk management positions to fluctuations in commodity prices, with all other variables held constant. When assessing the potential impact of these commodity price changes, the Company believes 10% volatility is a reasonable measure. Fluctuations in commodity prices could have resulted in unrealized gains (losses) impacting net earnings as follows:

	Net Earnings Three Months Ended March 31, 2008	
	Favorable 10% Change	Unfavorable 10% Change
Natural gas price	$ 488	$ (436)
Crude oil price	63	(63)
Power price	4	(4)

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

C) Risks Associated with Financial Assets and Liabilities

The Company is exposed to financial risks arising from its financial assets and liabilities. The financial risks include market risk relating to commodity prices, interest rates and foreign exchange rates, credit risk and liquidity risk.

Market Risk

Market risk, the risk that the fair value or future cash flows of financial assets or liabilities will fluctuate due to movements in market prices, is comprised of the following:

- **Commodity Price Risk**
  As a means of mitigating exposure to commodity price risk volatility, the Company has entered into various derivative agreements. The use of derivative instruments is governed under formal policies and is subject to limits established by the Board of Directors. The Company's policy is to not use derivative financial instruments for speculative purposes.

  Natural Gas - To partially mitigate the natural gas commodity price risk, the Company enters into option contracts and swaps, which fix the NYMEX prices. To help protect against widening natural gas price differentials in various production areas, EnCana has entered into swaps to manage the price differentials between these production areas and various sales points.

  Crude Oil - The Company has partially mitigated its exposure to the WTI NYMEX price with fixed price swaps.

  Power - The Company has in place two Canadian dollar denominated derivative contracts, which commenced January 1, 2007 for a period of 11 years, to manage its electricity consumption costs.

- **Interest Rate Risk**
  The Company partially mitigates its exposure to interest rate changes by maintaining a mix of both fixed and floating rate debt. EnCana has entered into interest rate swap transactions from time to time as an additional means of managing the fixed/floating rate debt portfolio mix.

  At March 31, 2008, the increase or decrease in net earnings for each one percent change in interest rates on floating rate debt amounts to $14 million. At March 31, 2008, the Company's outstanding derivative instrument utilized for interest rate risk management activities had an unrealized gain of $2 million related to the 5.80% medium term note due June 2, 2008.

- **Foreign Exchange Risk**
  As EnCana operates primarily in North America, fluctuations in the exchange rate between the U.S./Canadian dollar can have a significant effect on the Company's reported results. EnCana's functional currency is Canadian dollars, however, the Company reports its results in U.S. dollars as most of its revenue is closely tied to the U.S. dollar and to facilitate a more direct comparison to other North American oil and gas companies. As the effects of foreign exchange fluctuations are embedded in the Company's results, the total effect of foreign exchange fluctuations are not separately identifiable.

  To mitigate the exposure to the fluctuating U.S./Canadian exchange rate, EnCana maintains a mix of both U.S. dollar and Canadian dollar debt. In addition to issuing U.S. dollar denominated debt, the Company has entered into a cross currency swap on a portion of its debt as a means of managing the U.S./Canadian dollar debt mix.

  As disclosed in Note 7, EnCana's foreign exchange (gain) loss is primarily comprised of unrealized foreign exchange gains and losses on the translation of U.S. dollar debt issued from Canada and the translation of U.S. dollar partnership contribution receivable issued from Canada. At March 31, 2008, EnCana had $5,421 million in U.S. dollar debt issued from Canada ($5,421 million at December 31, 2007) and $3,371 million related to the U.S. dollar partnership contribution receivable ($3,444 million at December 31, 2007). A $0.01 change in the U.S. to Canadian dollar exchange rate would have resulted in a $20 million change in foreign exchange (gain) loss at March 31, 2008.

Credit Risk

Credit risk is the risk that the counterparty to a financial asset will default resulting in the Company incurring a financial loss. This credit exposure is mitigated through the use of Board-approved credit policies governing the Company's credit portfolio and with credit practices that limit transactions according to counterparties' credit quality. All foreign currency agreements are with major financial institutions in Canada and the United States or with counterparties having investment grade credit ratings. A substantial portion of the Company's accounts receivable are with customers in the oil and gas industry and are subject to normal industry credit risks.

At March 31, 2008, EnCana had two counterparties whose net settlement position individually account for more than 10 percent of the fair value of the outstanding in-the-money net financial instrument contracts by counterparty. The maximum credit risk exposure associated with accounts receivable and accrued revenues, risk management assets and the partnership contribution receivable is the total carrying value.

Notes to Consolidated Financial Statements *(unaudited)*

(All amounts in $ millions unless otherwise specified)

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

C) Risks Associated with Financial Assets and Liabilities (continued)

Liquidity Risk

Liquidity risk is the risk the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash and debt management. As disclosed in Note 13, EnCana targets a Net Debt to Capitalization ratio between 30 and 40 percent and a Net Debt to Adjusted EBITDA of 1.0 to 2.0 times to steward the Company's overall debt position.

In managing liquidity risk, the Company has access to a wide range of funding at competitive rates through commercial paper, capital markets and banks. As at March 31, 2008, EnCana had available unused committed bank credit facilities in the amount of $3.1 billion and unused capacity under shelf prospectuses, the availability of which is dependent on market conditions, for up to $7.2 billion. The Company believes it has sufficient funding through the use of these facilities to meet foreseeable borrowing requirements.

EnCana maintains investment grade credit ratings on its senior unsecured debt. Standard & Poor's Ratings Service has assigned a rating of A- with a "Stable" outlook, DBRS Limited has assigned a rating of A(low) with a "Stable" trend and Moody's Investors Service has assigned a rating of Baa2 with a "Positive" outlook.

The timing of cash outflows relating to financial liabilities are outlined in the table below:

	1 year	2 - 3 years	4 - 5 years	beyond 5 years	Total
Accounts payable and accrued liabilities	$ 4,330	$ -	$ -	$ -	$ 4,330
Risk management liabilities	1,163	12	(1)	-	1,174
Long-term debt *	679	450	2,870	6,130	10,129
Partnership contribution payable *	293	640	721	1,727	3,381

* Principal, including current portion.

Included in EnCana's total long-term debt obligations of $10,129 million at March 31, 2008 are $1,884 million in obligations related to Bankers' Acceptances and Commercial Paper. These amounts are fully supported and Management expects that they will continue to be supported by revolving credit and term loan facilities that have no repayment requirements within the next year.

17. CONTINGENCIES

Legal Proceedings

The Company is involved in various legal claims associated with the normal course of operations. The Company believes it has made adequate provision for such legal claims.

Discontinued Merchant Energy Operations

During the period between 2003 and 2005, EnCana and its indirect wholly owned U.S. marketing subsidiary, WD Energy Services Inc. ("WD"), along with other energy companies, were named as defendants in several lawsuits, some of which were class action lawsuits, relating to sales of natural gas from 1999 to 2002. The lawsuits allege that the defendants engaged in a conspiracy with unnamed competitors in the natural gas markets in California in violation of U.S. and California anti-trust and unfair competition laws.

Without admitting any liability in the lawsuits, WD agreed to settle all of the class action lawsuits in both state and federal court for payment of $20.5 million and $2.4 million, respectively. Also, as previously disclosed, without admitting any liability whatsoever, WD concluded settlements with the U.S. Commodity Futures Trading Commission ("CFTC") for $20 million and of a previously disclosed consolidated class action lawsuit in the United States District Court in New York for $8.2 million.

The remaining lawsuits were commenced by individual plaintiffs, one of which is E. & J. Gallo Winery ("Gallo"). The Gallo lawsuit claims damages in excess of $30 million. The other remaining lawsuits do not specify the precise amount of damages claimed. California law allows for the possibility that the amount of damages assessed could be tripled.

The Company and WD intend to vigorously defend against the outstanding claims; however, the Company cannot predict the outcome of these proceedings or any future proceedings against the Company, whether these proceedings would lead to monetary damages which could have a material adverse effect on the Company's financial position, or whether there will be other proceedings arising out of these allegations.

18. RECLASSIFICATION

Certain information provided for prior periods has been reclassified to conform to the presentation adopted in 2008.

SUPPLEMENTAL FINANCIAL INFORMATION *(unaudited)*

Financial Statistics

($ millions, except per share amounts)		2008	2007				
		Q1	Year	Q4	Q3	Q2	Q1
TOTAL CONSOLIDATED							
Cash Flow [1]		**2,389**	8,453	1,934	2,218	2,549	1,752
Per share	- Basic	**3.19**	11.17	2.58	2.96	3.36	2.28
	- Diluted	**3.17**	11.06	2.56	2.93	3.33	2.25
Net Earnings		**93**	3,959	1,082	934	1,446	497
Per share	- Basic	**0.12**	5.23	1.44	1.24	1.91	0.65
	- Diluted	**0.12**	5.18	1.43	1.24	1.89	0.64
Operating Earnings [2]		**1,045**	4,100	849	1,032	1,369	850
Per share	- Diluted	**1.39**	5.36	1.12	1.37	1.79	1.09
CONTINUING OPERATIONS							
Cash Flow from Continuing Operations [3]		**2,389**	8,453	1,934	2,218	2,549	1,752
Net Earnings from Continuing Operations		**93**	3,884	1,007	934	1,446	497
Per share	- Basic	**0.12**	5.13	1.34	1.24	1.91	0.65
	- Diluted	**0.12**	5.08	1.33	1.24	1.89	0.64
Operating Earnings - Continuing Operations [4]		**1,045**	4,100	849	1,032	1,369	850
Effective Tax Rates using							
Net Earnings		**75.4%**	19.4%				
Operating Earnings, excluding divestitures		**32.4%**	28.6%				
Canadian Statutory Rate		**29.7%**	32.3%				
Foreign Exchange Rates *(US$ per C$1)*							
Average		**0.996**	0.930	1.019	0.957	0.911	0.854
Period end		**0.973**	1.012	1.012	1.004	0.940	0.867
CASH FLOW INFORMATION							
Cash from Operating Activities		**1,758**	8,429	2,193	2,180	2,148	1,908
Deduct (Add back):							
Net change in other assets and liabilities		**(93)**	(16)	(21)	1	(16)	20
Net change in non-cash working capital		**(538)**	(8)	280	(39)	(385)	136
Cash Flow [1]		**2,389**	8,453	1,934	2,218	2,549	1,752

(1) 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, both of which are defined on the Consolidated Statement of Cash Flows.

(2) 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 Notes issued from Canada, after-tax foreign exchange gains/losses on settlement of intercompany transactions, future income tax on foreign exchange related to U.S. dollar intercompany debt recognized for tax purposes only and the effect of changes in statutory income tax rates.

(3) Cash Flow from Continuing Operations 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, net change in non-cash working capital from discontinued operations and cash flow from discontinued operations.

(4) Operating Earnings - Continuing Operations is a non-GAAP measure defined as Net Earnings from Continuing Operations excluding the after-tax gain/loss on discontinuance, the 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 Notes issued from Canada, after-tax foreign exchange gains/losses on settlement of intercompany transactions, future income tax on foreign exchange related to U.S. dollar intercompany debt recognized for tax purposes only and the effect of changes in statutory income tax rates.

SUPPLEMENTAL FINANCIAL INFORMATION *(unaudited)*

Financial Statistics (continued)

($ millions, except per share amounts)

Common Share Information	**2008**	2007				
	Q1	Year	Q4	Q3	Q2	Q1
Common Shares Outstanding *(millions)*						
Period end	**750.0**	750.2	750.2	749.5	752.8	761.3
Average - Basic	**749.5**	756.8	749.8	750.4	758.5	768.4
Average - Diluted	**753.0**	764.6	755.1	755.9	765.2	779.6
Price Range *($ per share)*						
TSX - C$						
High	**79.26**	71.21	69.59	67.99	71.21	59.65
Low	**59.95**	51.55	60.89	59.33	57.61	51.55
Close	**78.20**	67.50	67.50	61.50	65.52	58.40
NYSE - US$						
High	**79.75**	75.85	75.85	65.18	66.87	51.49
Low	**58.13**	42.38	60.86	55.13	50.58	42.38
Close	**75.75**	67.96	67.96	61.85	61.45	50.63
Dividends Paid *($ per share)*	**0.40**	0.80	0.20	0.20	0.20	0.20
Share Volume Traded *(millions)*	**354.7**	1,250.9	290.8	301.4	327.4	331.3
Share Value Traded *(US$ millions weekly average)*	**1,900.5**	1,390.9	1,489.3	1,414.4	1,479.5	1,209.5

Financial Metrics		
Net Debt to Capitalization	**38%**	34%
Net Debt to Adjusted EBITDA *	**1.3x**	1.2x
Return on Capital Employed	**14%**	15%
Return on Common Equity	**19%**	21%

* Calculated on a trailing twelve-month basis

Net Capital Investment *($ millions)*	**2008**	2007
Capital		
Canada	**$ 1,069**	$ 861
United States	**519**	439
Other	**25**	18
Integrated Oil	**223**	115
Market Optimization	**2**	1
Corporate [(1)]	**11**	49
Capital	**1,849**	1,483
Acquisitions		
Property		
Canada	**72**	7
United States [(2)]	**(14)**	-
Divestitures		
Property		
Canada	**(92)**	(10)
United States	**(4)**	(7)
Other	**24**	-
Corporate [(3)]	**-**	(57)
Corporate		
Other [(4)]	**-**	(207)
Net Acquisition and Divestiture Activity	**(14)**	(274)
Net Capital Investment	**$ 1,835**	$ 1,209

(1) Includes capital expenditures on The Bow office project.
(2) Includes purchase price adjustments for the November 2007 Leor acquisition in East Texas.
(3) Sale of EnCana's office building project assets, The Bow, closed February 9, 2007.
(4) Sale of interests in Chad closed January 12, 2007.

SUPPLEMENTAL OIL AND GAS OPERATING STATISTICS *(unaudited)*

Operating Statistics - After Royalties

Production Volumes	**2008**	2007				
	Q1	Year	Q4	Q3	Q2	Q1
Produced Gas *(MMcf/d)*						
Canada	**2,181**	2,221	2,258	2,243	2,203	2,178
United States	**1,552**	1,345	1,464	1,387	1,303	1,222
Total Produced Gas	**3,733**	3,566	3,722	3,630	3,506	3,400
Oil and Natural Gas Liquids *(bbls/d)*						
North America						
Light and Medium Oil	**40,896**	40,690	40,462	40,345	40,025	41,946
Heavy Oil - Foster Creek/Christina Lake	**29,376**	26,814	27,190	28,740	27,994	23,269
Heavy Oil - Other	**41,543**	41,472	41,621	40,882	40,897	42,500
Natural Gas Liquids [1]						
Canada	**12,518**	11,316	12,388	11,141	11,017	10,700
United States	**12,955**	13,862	14,476	15,275	13,483	12,175
Total Oil and Natural Gas Liquids	**137,288**	134,154	136,137	136,383	133,416	130,590
Total *(MMcfe/d)*	**4,557**	4,371	4,539	4,448	4,306	4,184

[1] Natural gas liquids include condensate volumes.

Downstream						
Refinery Operations [2]						
Crude oil capacity *(Mbbls/d)*	**452**	452	452	452	452	452
Crude oil runs *(Mbbls/d)*	**408**	432	439	460	396	433
Crude utilization *(%)*	**90%**	96%	97%	102%	88%	96%
Refined products *(Mbbls/d)*	**435**	457	465	484	421	457

[2] Represents 100% of the Wood River and Borger refinery operations.

SUPPLEMENTAL OIL AND GAS OPERATING STATISTICS *(unaudited)*

Operating Statistics - After Royalties (continued)

Per-unit Results
(excluding impact of realized financial hedging)

	2008	2007				
	Q1	Year	Q4	Q3	Q2	Q1
Produced Gas - Canada *($/Mcf)*						
Price	**7.44**	6.20	6.35	5.36	6.76	6.36
Production and mineral taxes	**0.04**	0.09	0.03	0.10	0.11	0.10
Transportation and selling	**0.38**	0.35	0.35	0.34	0.36	0.36
Operating	**1.25**	0.92	1.03	0.83	0.90	0.91
Netback	**5.77**	4.84	4.94	4.09	5.39	4.99
Produced Gas - United States *($/Mcf)*						
Price	**8.19**	5.38	5.03	4.68	5.73	6.24
Production and mineral taxes	**0.62**	0.34	0.29	0.38	0.17	0.53
Transportation and selling	**0.81**	0.62	0.64	0.60	0.65	0.61
Operating	**0.71**	0.65	0.70	0.52	0.71	0.67
Netback	**6.05**	3.77	3.40	3.18	4.20	4.43
Produced Gas - Total *($/Mcf)*						
Price	**7.75**	5.89	5.83	5.10	6.38	6.32
Production and mineral taxes	**0.28**	0.18	0.14	0.21	0.14	0.26
Transportation and selling	**0.56**	0.45	0.46	0.44	0.47	0.45
Operating	**1.02**	0.82	0.90	0.72	0.83	0.82
Netback	**5.89**	4.44	4.33	3.73	4.94	4.79
Natural Gas Liquids - Canada *($/bbl)*						
Price	**80.23**	59.34	73.39	62.87	55.21	43.26
Production and mineral taxes	**-**	-	-	-	-	-
Transportation and selling	**0.94**	1.01	0.96	1.80	0.74	0.54
Netback	**79.29**	58.33	72.43	61.07	54.47	42.72
Natural Gas Liquids - United States *($/bbl)*						
Price	**82.22**	59.83	73.45	60.17	55.43	47.77
Production and mineral taxes	**7.13**	4.28	6.12	1.95	4.71	4.56
Transportation and selling	**-**	0.01	-	0.01	0.01	0.01
Netback	**75.09**	55.54	67.33	58.21	50.71	43.20
Natural Gas Liquids - Total *($/bbl)*						
Price	**81.24**	59.61	73.42	61.31	55.33	45.66
Production and mineral taxes	**3.63**	2.36	3.30	1.13	2.59	2.43
Transportation and selling	**0.46**	0.46	0.44	0.76	0.34	0.26
Netback	**77.15**	56.79	69.68	59.42	52.40	42.97
Crude Oil - Light and Medium *($/bbl)*						
Price	**87.56**	58.12	71.48	61.18	53.36	46.40
Production and mineral taxes	**2.39**	2.11	2.20	1.89	2.19	2.14
Transportation and selling	**1.32**	1.41	1.30	1.53	1.36	1.43
Operating	**12.33**	9.72	11.09	9.51	9.28	9.00
Netback	**71.52**	44.88	56.89	48.25	40.53	33.83
Crude Oil - Total - excluding Foster Creek/Christina Lake *($/bbl)*						
Price	**78.82**	50.76	59.93	54.68	47.02	41.42
Production and mineral taxes	**1.28**	1.09	1.12	1.01	1.16	1.06
Transportation and selling	**1.36**	1.32	1.23	1.47	1.31	1.27
Operating	**11.39**	9.03	10.52	8.68	8.85	8.06
Netback	**64.79**	39.32	47.06	43.52	35.70	31.03
Crude Oil - Heavy - Foster Creek/Christina Lake *($/bbl)*						
Price	**59.67**	40.14	45.58	42.86	39.40	33.28
Production and mineral taxes	**-**	-	-	-	-	-
Transportation and selling	**2.72**	2.88	2.75	2.10	3.62	3.07
Operating [(*)]	**16.62**	14.46	14.05	12.55	14.02	17.12
Netback	**40.33**	22.80	28.78	28.21	21.76	13.09
Crude Oil - Total *($/bbl)*						
Price	**74.10**	47.90	56.23	51.50	44.92	39.19
Production and mineral taxes	**0.96**	0.79	0.83	0.74	0.84	0.77
Transportation and selling	**1.69**	1.74	1.62	1.64	1.94	1.75
Operating	**12.68**	10.49	11.43	9.72	10.27	10.54
Netback	**58.77**	34.88	42.35	39.40	31.87	26.13

[(*)] Q1 2007 includes a prior year under accrual of operating costs of approximately $1.82/bbl.

SUPPLEMENTAL OIL AND GAS OPERATING STATISTICS *(unaudited)*

Operating Statistics - After Royalties (continued)

Per-unit Results
(excluding impact of realized financial hedging)

	2008	2007				
	Q1	Year	Q4	Q3	Q2	Q1
Total Liquids - Canada *($/bbl)*						
Price	**74.69**	48.92	57.92	52.50	45.83	39.50
Production and mineral taxes	**0.86**	0.72	0.74	0.66	0.76	0.70
Transportation and selling	**1.62**	1.68	1.56	1.66	1.84	1.67
Operating	**11.30**	9.47	10.20	8.78	9.29	9.60
Netback	**60.91**	37.05	45.42	41.40	33.94	27.53
Total Liquids *($/bbl)*						
Price	**75.44**	50.05	59.60	53.37	46.81	40.25
Production and mineral taxes	**1.46**	1.08	1.32	0.81	1.16	1.04
Transportation and selling	**1.46**	1.51	1.39	1.47	1.65	1.51
Operating	**10.30**	8.57	9.19	7.87	8.41	8.81
Netback	**62.22**	38.89	47.70	43.22	35.59	28.89
Total *($/Mcfe)*						
Price	**8.61**	6.35	6.57	5.80	6.65	6.40
Production and mineral taxes	**0.28**	0.18	0.15	0.19	0.15	0.24
Transportation and selling	**0.50**	0.42	0.42	0.41	0.43	0.42
Operating [1]	**1.15**	0.93	1.02	0.83	0.93	0.95
Netback	**6.68**	4.82	4.98	4.37	5.14	4.79

[1] Year-to-date operating costs include costs related to long-term incentives of $0.14/Mcfe (2007 - $0.05/Mcfe).

Impact of Realized Financial Hedging

Natural Gas *($/Mcf)*	**0.27**	1.33	1.49	1.65	1.24	0.92
Liquids *($/bbl)*	**(5.85)**	(3.05)	(8.76)	(4.36)	(1.34)	2.34
Total *($/Mcfe)*	**0.05**	0.99	0.96	1.21	0.96	0.82

EnCana Corporation

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