Encana Corporation

Annual Information Form
February 20, 2014

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Introduction

This is the Annual Information Form of **Encana Corporation** ("Encana" or the "Company") for the year ended December 31, 2013. In this Annual Information Form, unless otherwise specified or the context otherwise requires, reference to "Encana" or to the "Company" includes reference to subsidiaries of and partnership interests held by Encana Corporation and its subsidiaries.

In this Annual Information Form, daily natural gas volumes are referenced in either thousands of cubic feet ("Mcf") per day ("Mcf/d"), millions of cubic feet ("MMcf") per day ("MMcf/d"), or billions of cubic feet ("Bcf") per day ("Bcf/d"). The term "liquids" is used to represent oil, natural gas liquids ("NGLs") and condensate. Daily liquids volumes are referenced in either barrels ("bbls") per day ("bbls/d"), thousands of barrels ("Mbbls") per day ("Mbbls/d") or millions of barrels ("MMbbls") per day ("MMbbls/d").

Certain liquids volumes have been converted to billions of cubic feet equivalent ("Bcfe") on the basis of one barrel ("bbl") to six Mcf. Bcfe 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 wellhead. Given that the value ratio based on the current price of oil and NGLs as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

All financial information included in this Annual Information Form is prepared in accordance with United States ("U.S.") generally accepted accounting principles ("U.S. GAAP"). The Company's annual audited Consolidated Financial Statements for the year ended December 31, 2013, including required comparative information for 2012 and 2011, have been prepared in accordance with U.S. GAAP.

Readers are directed to the sections titled "Note Regarding Forward-Looking Statements" and "Note Regarding Reserves Data and Other Oil and Gas Information".

Unless otherwise specified, all dollar amounts are expressed in U.S. dollars, all references to "dollars", "$" or to "US$" are to U.S. dollars and all references to "C$" are to Canadian dollars. All proceeds from divestitures are provided on a before tax basis.

Corporate Structure

Name and Incorporation

Encana Corporation is incorporated under the *Canada Business Corporations Act* ("CBCA"). Its executive and registered office is located at 4400, 500 Centre Street S.E., Calgary, Alberta, Canada T2G 1A6.

Intercorporate Relationships

The following table presents the name, the percentage of voting securities owned and the jurisdiction of incorporation, continuance or formation of Encana's principal subsidiaries and partnerships as at December 31, 2013. Each of these subsidiaries and partnerships had total assets that exceeded 10 percent of Encana's total consolidated assets or annual revenues that exceeded 10 percent of Encana's total consolidated annual revenues as at December 31, 2013.

Subsidiaries & Partnerships	**Percentage Directly or Indirectly Owned**	**Jurisdiction of Incorporation, Continuance or Formation**
Encana USA Holdings	100	Delaware
Encana USA Investment Holdings	100	Delaware
3080763 Nova Scotia Company	100	Nova Scotia
Alenco Inc.	100	Delaware
Encana Oil & Gas (USA) Inc.	100	Delaware
Encana Marketing (USA) Inc.	100	Delaware

The above table does not include all of the subsidiaries and partnerships of Encana. The assets and annual revenues of unnamed subsidiaries and partnerships in the aggregate did not exceed 20 percent of Encana's total consolidated assets or total consolidated annual revenues as at December 31, 2013.

As a general matter, Encana reorganizes its subsidiaries as required to maintain proper alignment of its business, operating and management structures.

General Development of the Business

Encana was formed in 2002 through the business combination of Alberta Energy Company Ltd. ("AEC") and PanCanadian Energy Corporation ("PanCanadian"). On November 30, 2009, Encana completed a corporate reorganization (the "Split Transaction") to split into two independent publicly traded energy companies – Encana and Cenovus Energy Inc. ("Cenovus").

Encana is a leading North American energy producer that is focused on developing its strong portfolio of diverse resource plays producing natural gas, oil and NGLs. Encana's operations also include the marketing of natural gas, oil and NGLs. All of Encana's reserves and production are located in North America.

Operating Segments

As at December 31, 2013, Encana's operating and reportable segments were: (i) Canadian Division; (ii) USA Division; and (iii) Market Optimization.

- **Canadian Division** includes the exploration for, development of, and production of natural gas, oil and NGLs and other related activities within Canada. Resource plays in the Division include: Cutbank Ridge in northern British Columbia, Bighorn in west central Alberta, Peace River Arch in northwest Alberta, Clearwater in southern Alberta, and Greater Sierra in northeast British Columbia. In December 2013, the Deep Panuke natural gas facility located offshore Nova Scotia commenced commercial operations. Emerging plays in the Division include the Duvernay in west central Alberta.

- **USA Division** includes the exploration for, development of, and production of natural gas, oil and NGLs and other related activities within the U.S. Resource plays in the Division include: Piceance in northwest Colorado, Jonah in southwest Wyoming, Haynesville in Louisiana, and Texas. Emerging plays in the Division include the DJ Niobrara in northern Colorado, the San Juan Basin in New Mexico and the Tuscaloosa Marine Shale in Louisiana and Mississippi.

- **Market Optimization** activities are managed by the Midstream, Marketing & Fundamentals team, which is primarily responsible for the sale of the Company's proprietary production and enhancing the associated netback price. Market optimization activities include third party purchases and sales of product to provide operational flexibility for transportation commitments, product type, delivery points and customer diversification.

Corporate and Other is not an operating segment and mainly includes unrealized gains or losses recorded on derivative financial instruments. Once the instruments are settled, the realized gains and losses are recorded in the operating segment to which the derivative instruments relate.

In 2014, Encana does not anticipate any significant change in reportable segments as a result of the business strategy announced in November 2013. However, the Company may realign certain plays to complement its capital allocation strategy, as described under the Business Objectives section of this Annual Information Form.

Recent Developments

Significant events which contributed to the development of Encana's business over the last three years included the following:

2013

- Appointed Doug Suttles as Encana's President & Chief Executive Officer and Director of the Company in June 2013 and subsequently announced a realignment of the Company's business strategy and corporate organizational structure in November 2013 to be implemented in 2014.

- Announced plans to transfer Encana's royalty business, whose assets comprise fee simple mineral title and certain royalty interests in lands located predominately in Alberta, into a separate company. Encana plans to subsequently divest a portion of its interest in the new company through an initial public offering ("IPO") in mid-2014. Encana intends to retain a majority stake in the new company. The transaction is subject to approval by Encana's Board of Directors, due diligence, favourable market conditions and stock exchange, regulatory and third party approvals.

- Commenced production at the Deep Panuke natural gas facility located offshore Nova Scotia in August 2013 and reached commercial operation with the issuance of the Production Acceptance Notice in December 2013.

- Completed the divestiture of assets for proceeds of approximately $685 million in the Canadian Division which primarily includes the sale of the Jean Marie natural gas assets in the Greater Sierra resource play.

- Completed the sale of Encana's 30 percent interest in the proposed Kitimat liquefied natural gas ("LNG") export terminal in British Columbia in February 2013.

2012

- Entered into a partnership agreement with a Mitsubishi Corporation subsidiary ("Mitsubishi") to jointly develop certain Cutbank Ridge lands in British Columbia. Mitsubishi agreed to invest approximately C$2.9 billion for a 40 percent interest in the partnership, with C$1.45 billion received in February 2012. The remaining amount will be invested over the expected commitment period of approximately five years.

- Entered into an agreement with a PetroChina Company Limited subsidiary ("PetroChina") to jointly explore and develop certain Duvernay lands in Alberta. PetroChina agreed to invest approximately C$2.18 billion for a 49.9 percent working interest in the lands with C$1.18 billion received in December 2012. The remaining amount will be received over the expected commitment period of approximately four years.

- Entered into an agreement with a Toyota Tsusho Corporation subsidiary ("Toyota Tsusho") under which Toyota Tsusho agreed to acquire a royalty interest in natural gas production from a portion of Encana's Clearwater resource play. Toyota Tsusho agreed to invest approximately C$600 million for a 32.5 percent gross overriding royalty, with C$100 million received in April 2012. The remaining amount will be received over the expected commitment period of approximately seven years.

- Entered into a long-term joint venture agreement with a Nucor Corporation subsidiary ("Nucor"), under which Nucor will earn a 50 percent working interest in certain natural gas wells to be drilled over the next 20 years in the Piceance Basin in Colorado. Nucor agreed to pay its share of well costs plus a portion attributable to Encana's interest.

- Entered into a joint venture agreement with Exaro Energy III LLC ("Exaro") in March 2012 under which Exaro agreed to invest approximately $380 million over the next five years to earn a 32.5 percent working interest in certain sections of the Jonah field in Wyoming.

- Renegotiated certain gathering and processing agreements which result in Encana receiving additional NGL volumes from the Company's processed gas in the Piceance and Jonah areas in the U.S.

- Closed the sale of two natural gas processing plants in British Columbia and Alberta for proceeds of approximately C$920 million in February 2012.

2011

- Acquired various strategic exploration and evaluation lands and properties which complement existing assets within Encana's portfolio, totaling $515 million. Land capture included additional acreage with potential oil and natural gas streams with associated liquids.

- Acquired a 30 percent interest in the planned Kitimat LNG export terminal in British Columbia.

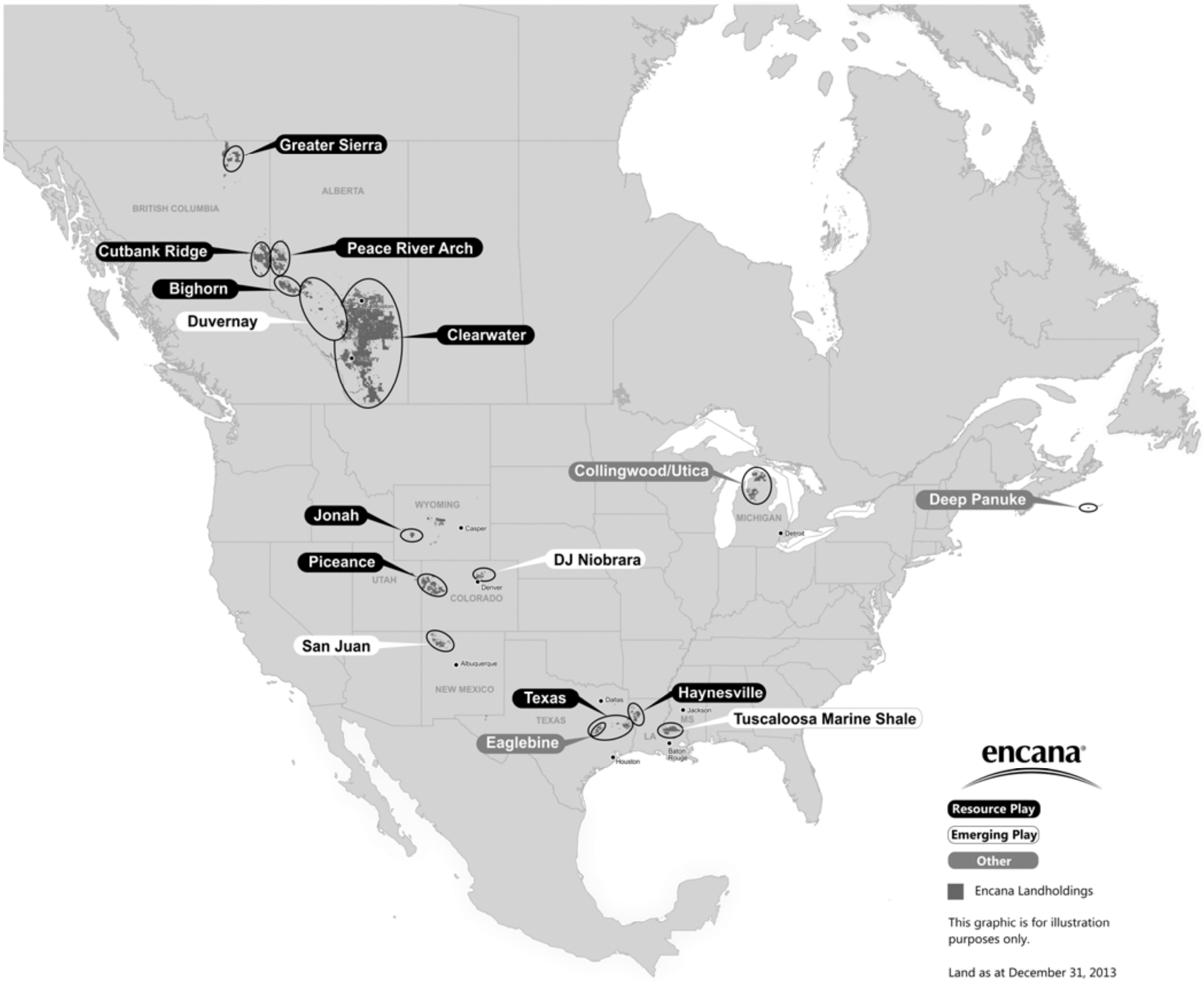
- Completed divestitures for total proceeds of $891 million, which included Encana's interest in the Cabin natural gas processing plant in British Columbia, the Fort Lupton natural gas processing plant in Colorado and the South Piceance natural gas gathering assets in Colorado.

- Closed the majority of the sale of its North Texas natural gas producing assets for proceeds of $836 million. In March of 2012, Encana completed the remainder of the sale and received additional proceeds of $114 million.

- Entered into deep cut processing arrangements, which allow the Company to extract additional NGL volumes from its natural gas streams starting in 2012 at the Musreau plant in Bighorn and Gordondale plant in Peace River Arch.

Narrative Description of the Business

The following map outlines the location of Encana's North American landholdings, resource plays and emerging plays as at December 31, 2013.



Business Objectives

Encana's operations are focused on exploiting long-life natural gas and oil formations. Encana strives to identify early-stage, geographically expansive hydrocarbon-charged basins and then assembles a large land position to try to capture core resource opportunities. The Company's operations are primarily located in Canada and the U.S. All of Encana's reserves and production are located in North America.

In November 2013, Encana announced a new strategy that is committed to growing long-term shareholder value through a disciplined focus on generating profitable growth. The Company is pursuing the following key business objectives:

- Balance the commodity portfolio
- Exercise a disciplined capital allocation strategy
- Maintain portfolio flexibility to respond to changing market conditions
- Improve capital and operational efficiency and reduce cost structure
- Preserve balance sheet strength

The Company has a history of leveraging technology to unlock resources and build the underlying productive capacity at a low cost. The Company's resource play hub model is a manufacturing-style development approach, which utilizes integrated production facilities to develop resources by drilling multiple wells from central pad sites. Capital and operating efficiencies are achieved across Encana's expansive portfolio through repeatable operations, optimizing equipment and processes, by applying continuous improvement techniques.

As part of the new strategy, Encana may realign certain plays to complement its capital allocation strategy. In 2014, Encana's capital allocation strategy is focused on accelerating growth from a limited number of high return, scalable projects, while optimizing production performance from the remainder of the Company's resource base.

Canadian Division

As of December 31, 2013, the Canadian Division includes the exploration for, development of, and production of natural gas, oil and NGLs and other related activities within Canada. Resource plays in the Division include: Cutbank Ridge in northern British Columbia, Bighorn in west central Alberta, Peace River Arch in northwest Alberta, Clearwater in southern Alberta, and Greater Sierra in northeast British Columbia. In December 2013, the Deep Panuke natural gas facility located offshore Nova Scotia commenced commercial operations. Emerging plays in the Division include the Duvernay in west central Alberta. In 2014, as part of Encana's new strategy, the Company may realign certain plays to complement its capital allocation strategy, as described in the Business Objectives section of this Annual Information Form.

In 2013, the Canadian Division had total capital investment of approximately $1,365 million and drilled approximately 390 net wells. Production after royalties averaged approximately 1,432 MMcf/d of natural gas and approximately 30.4 Mbbls/d of oil and NGLs. At December 31, 2013, the Canadian Division had an established land position in Canada of approximately 8.9 million gross acres (7.0 million net acres), including approximately 4.2 million gross undeveloped acres (3.2 million net acres).

Mineral rights on certain of Encana's total net acreage are owned in fee simple mineral title, which means that the mineral rights are held by Encana in perpetuity and production is subject to a mineral tax that is generally less than the Crown royalty imposed on production from Crown land where the government owns the mineral rights. In November 2013, Encana announced plans to transfer fee simple mineral titles into a separate company and subsequently divest a portion of Encana's interest in the new company through an IPO in mid-2014, as described in the Recent Developments section of this Annual Information Form.

The following tables summarize the Canadian Division landholdings, producing wells and daily production as at and for the periods indicated.

Landholdings

(thousands of acres at December 31, 2013)	Developed Acreage		Undeveloped Acreage		Total Acreage		Average Working Interest
	Gross	Net	Gross	Net	Gross	Net	
Cutbank Ridge	309	167	642	334	951	501	53%
Bighorn	187	139	298	252	485	391	81%
Peace River Arch	289	169	497	428	786	597	76%
Clearwater	3,622	3,124	1,726	1,518	5,348	4,642	87%
Greater Sierra	50	28	394	334	444	362	82%
Other and emerging	190	159	690	350	880	509	58%
Total Canadian Division	**4,647**	**3,786**	**4,247**	**3,216**	**8,894**	**7,002**	**79%**

Producing Wells

(number of wells at December 31, 2013) [1]	Natural Gas		Oil		Total	
	Gross	Net	Gross	Net	Gross	Net
Cutbank Ridge	772	690	-	-	772	690
Bighorn	354	315	16	6	370	321
Peace River Arch	459	379	24	16	483	395
Clearwater	12,391	11,461	193	169	12,584	11,630
Greater Sierra	91	46	-	-	91	46
Other and emerging	33	19	-	-	33	19
Total Canadian Division	14,100	12,910	233	191	14,333	13,101

Note:
(1) Figures exclude wells capable of producing, but not producing.

Production (Before Royalties)

(average daily)	Natural Gas *(MMcf/d)*		Oil & NGLs *(Mbbls/d)*	
	2013	2012	2013	2012
Cutbank Ridge	542	451	2.0	1.6
Bighorn	256	244	10.3	7.0
Peace River Arch	134	109	10.4	3.6
Clearwater	374	403	10.2	8.8
Greater Sierra	159	201	0.3	0.6
Other and emerging	45	1	0.7	0.2
Total Canadian Division	**1,510**	**1,409**	**33.9**	**21.8**

Production (After Royalties)

(average daily)	Natural Gas (MMcf/d) 2013	2012	Oil & NGLs (Mbbls/d) 2013	2012
Cutbank Ridge	506	433	1.8	1.5
Bighorn	255	242	8.9	5.8
Peace River Arch	133	108	8.7	2.9
Clearwater	335	374	9.9	8.6
Greater Sierra	156	200	0.3	0.5
Other and emerging	47	2	0.8	0.1
Total Canadian Division	**1,432**	**1,359**	**30.4**	**19.4**

Resource Plays and Activities in the Canadian Division

Cutbank Ridge

Cutbank Ridge is a resource play located in the Canadian Rocky Mountain foothills, southwest of Dawson Creek, British Columbia. Key producing horizons in Cutbank Ridge include the Montney, and to a lesser degree the Cadomin and Doig formations. The Montney is exclusively being developed with horizontal well technology. Significant improvements have been achieved with respect to horizontal well completions with the application of multi-stage hydraulic fracturing. In 2013, Encana drilled approximately 30 net wells in the area and production after royalties averaged approximately 506 MMcf/d of natural gas and approximately 1.8 Mbbls/d of NGLs.

At December 31, 2013, Encana controlled approximately 426,000 gross undeveloped acres (220,000 net acres) covering the deep basin Montney formation in British Columbia, with approximately 83,000 net acres located within Encana's core development area near Dawson Creek. Encana has tested Montney extensively over the last several years and by applying advanced technology has reduced overall development costs significantly, achieving approximately 70 percent reduction in costs on a completed interval basis since 2006.

Encana has a partnership agreement with Mitsubishi to jointly develop certain Cutbank Ridge lands. Under the agreement, Mitsubishi agreed to invest approximately C$2.9 billion for its 40 percent partnership interest, of which approximately C$1.8 billion has been received. In addition to its 40 percent of the partnership's future capital funding investment, Mitsubishi is required to invest the remaining amount of approximately C$1.1 billion over the remaining expected commitment period, thereby reducing Encana's capital funding commitment to 30 percent of the total expected capital investment over that period. Encana proportionately consolidates 60 percent interest in the partnership, including reserves.

As at December 31, 2013, Encana has natural gas processing capacity of approximately 740 MMcf/d with six plants located in Alberta and British Columbia, with commitment terms ranging from two to twenty years and plant capacities from 50 MMcf/d to 200 MMcf/d. Of the total processing capacity, approximately 260 MMcf/d is used to process natural gas for the partnership with Mitsubishi.

Bighorn

Bighorn is a resource play located in west central Alberta. The focus is on exploiting multi-zone stacked Cretaceous sands in the Deep Basin. In 2013, Encana drilled approximately 21 net wells in the area and production after royalties averaged approximately 255 MMcf/d of natural gas and approximately 8.9 Mbbls/d of oil and NGLs. At December 31, 2013, Encana controlled approximately 298,000 gross undeveloped acres (252,000 net acres) in the resource play.

Encana has a 70 percent ownership interest in the Resthaven gas plant and a 50 percent ownership interest in the Kakwa gas plant, with combined processing capacity of approximately 160 MMcf/d (net 100 MMcf/d to Encana). Encana has an agreement with an unrelated third party to expand the Resthaven plant's gas processing and NGL extraction capacity by an additional 200 MMcf/d in two phases. Completion of the first phase is expected in mid-2014.

Encana has current processing capacity of approximately 235 MMcf/d at the Musreau plant under a seven year commitment with a third party. Current net liquids production from the deep cut facility is approximately 7.2 Mbbls/d after royalties.

Peace River Arch

Peace River Arch is a resource play located in northwest Alberta. The focus is on the continued development of the Montney formation in Alberta. In 2013, Encana drilled approximately 39 net wells in the area and production after royalties averaged approximately 133 MMcf/d of natural gas and approximately 8.7 Mbbls/d of oil and NGLs. At December 31, 2013, Encana controlled approximately 256,000 gross undeveloped acres (235,000 net acres) in the Montney formation.

Encana holds an approximate 60 percent ownership interest in the Sexsmith plant, which has a total capacity of approximately 210 MMcf/d (net 125 MMcf/d to Encana). The Company also has current compression and gathering capacity of 61 MMcf/d under a 20 year commitment with a third party. Under this agreement, the third party has agreed to complete an expansion project which will increase the capacity to 161 MMcf/d. Completion is expected in 2014.

Encana has current processing capacity of approximately 90 MMcf/d at the Gordondale sour gas deep cut plant under a ten year commitment. The deep cut facility has averaged net liquids production of approximately 3.6 Mbbls/d after royalties.

Clearwater

Clearwater is a resource play that extends from the U.S. border to central Alberta and includes natural gas and oil resources. Natural gas development has been focused on the Horseshoe Canyon coals which is integrated with shallower sands and exploiting deeper targets using an integrated wellbore strategy. Encana is in the early stages of oil development from multiple oil horizons.

Encana has an agreement with Toyota Tsusho under which Toyota Tsusho will acquire a 32.5 percent gross overriding royalty interest over a five year period in natural gas production from a portion of Encana’s Clearwater resource play. Toyota Tsusho has invested C$227 million and is required to further invest approximately C$373 million over the remaining commitment period.

In 2013, Encana drilled approximately 238 net natural gas wells and 45 net oil wells. Production after royalties averaged approximately 335 MMcf/d of natural gas and approximately 9.9 Mbbls/d of oil and NGLs. At December 31, 2013, Encana controlled approximately 1.7 million gross undeveloped acres (1.5 million net acres) in the resource play. Approximately 81 percent of the total net acreage landholdings in Clearwater are owned in fee simple mineral title.

In November 2013, Encana announced plans to transfer the Company’s royalty business, whose assets comprise fee simple mineral title and certain royalty interests in lands located predominately in Alberta, into a separate company. Encana plans to subsequently divest a portion of its interest in the new company through an IPO in mid-2014.

Greater Sierra

Greater Sierra is a resource play located in northeast British Columbia. The continued focus is on the development of the Devonian aged Horn River shales. In 2013, Encana drilled approximately five net wells in the area and production after royalties averaged approximately 156 MMcf/d of natural gas and approximately 0.3 Mbbls/d of oil and NGLs.

At December 31, 2013, Encana controlled approximately 193,000 gross undeveloped acres (159,000 net acres) in the Horn River Basin shales. Horn River Basin shales (Muskwa, Otter Park and Evie) within Encana’s focus area are upwards of 500 feet thick. At December 31, 2013, these shales have been evaluated with approximately 136 gross wells (14 vertical and 122 horizontal), 91 of which have been placed on long-term production (one vertical and 90 horizontal). In 2013, Encana divested its acreage in the Jean Marie formation.

Encana has gas processing capacity of approximately 570 MMcf/d (net 285 MMcf/d) at various facilities in the area. In 2013, Encana completed the transfer of a processing commitment to a third party related to the Cabin natural gas processing plant located in British Columbia. Encana has an additional processing commitment related to a planned expansion of the Cabin plant for which commissioning and expansion was suspended in 2012.

Duvernay

The Duvernay is an emerging liquids play located in west central Alberta. At December 31, 2013, Encana controlled approximately 492,000 gross undeveloped acres (263,000 net acres). In 2013, Encana drilled approximately 12 net exploration wells. Net production after royalties averaged 4 MMcf/d of natural gas and 0.7 Mbbls/d of liquids.

Encana has an agreement with PetroChina to jointly explore and develop certain Duvernay lands. Under the agreement, PetroChina agreed to invest approximately C$2.18 billion for a 49.9 percent working interest in the lands. PetroChina has invested approximately C$1.33 billion and will further invest approximately C$850 million over the remaining commitment period, which will be used to fund half of Encana’s capital funding commitment.

Atlantic Canada

Encana is the owner and operator of the Deep Panuke gas field located offshore Nova Scotia, approximately 250 kilometres southeast of Halifax on the Scotian shelf. Natural gas from Deep Panuke is produced and processed by an offshore Production Field Centre (“PFC”) which is designed to process up to 300 MMcf/d from four wells. Produced gas is transported to Goldboro, Nova Scotia, via subsea pipeline which interconnects with the Maritimes & Northeast Pipeline, where the natural gas is ultimately transported to markets in eastern Canada and the northeast U.S.

In December 2013, the PFC commenced commercial operation with the issuance of the Production Acceptance Notice. In 2013, natural gas production after royalties averaged approximately 41 MMcf/d. Encana sells all natural gas produced from Deep Panuke under a long term physical sales contract at the prevailing market prices in that region.

At December 31, 2013, Encana controlled approximately 76,000 gross acres (32,000 net acres) in Atlantic Canada, which includes Nova Scotia and Newfoundland and Labrador. Encana operates six of its nine licenses in these areas and has an average working interest of approximately 42 percent.

USA Division

As of December 31, 2013, the USA Division includes the exploration for, development of, and production of natural gas, oil and NGLs and other related activities within the U.S. Resource plays in the Division include: Piceance in northwest Colorado, Jonah in southwest Wyoming, Haynesville in Louisiana, and Texas. Emerging plays in the Division include the DJ Niobrara in northern Colorado, the San Juan Basin in New Mexico and the Tuscaloosa Marine Shale in Louisiana and Mississippi. In 2014, as part of Encana's new strategy, the Company may realign certain plays to complement its capital allocation strategy, as described in the Business Objectives section of this Annual Information Form.

In 2013, the USA Division had total capital investment of approximately $1,283 million and drilled approximately 237 net wells. Production after royalties averaged approximately 1,345 MMcf/d of natural gas and approximately 23.5 Mbbls/d of oil and NGLs. At December 31, 2013, the USA Division had an established land position of approximately 3.1 million gross acres (2.6 million net acres) including approximately 2.4 million gross undeveloped acres (2.1 million net acres).

The following tables summarize the USA Division landholdings, producing wells and daily production as at and for the periods indicated.

Landholdings

	Developed Acreage		Undeveloped Acreage		Total Acreage		Average Working Interest
(thousands of acres at December 31, 2013)	Gross	Net	Gross	Net	Gross	Net	
Piceance	273	254	592	545	865	799	92%
Jonah	19	19	115	103	134	122	91%
Haynesville	178	99	97	66	275	165	60%
Texas	14	9	93	54	107	63	59%
Other and emerging	219	171	1,494	1,312	1,713	1,483	87%
Total USA Division	**703**	**552**	**2,391**	**2,080**	**3,094**	**2,632**	**85%**

Producing Wells

	Natural Gas		Oil		Total	
(number of wells at December 31, 2013) (1)	Gross	Net	Gross	Net	Gross	Net
Piceance	3,726	3,060	6	2	3,732	3,062
Jonah	1,553	1,208	-	-	1,553	1,208
Haynesville	552	269	-	-	552	269
Texas	193	150	-	-	193	150
Other and emerging	2,083	1,340	187	163	2,270	1,503
Total USA Division	8,107	6,027	193	165	8,300	6,192

Note:
(1) Figures exclude wells capable of producing, but not producing.

Production (Before Royalties)

	Natural Gas *(MMcf/d)*		Oil & NGLs *(Mbbls/d)*	
(average daily)	2013	2012	2013	2012
Piceance	533	556	5.9	2.5
Jonah	415	529	6.1	5.3
Haynesville	436	591	-	-
Texas	180	219	-	0.1
Other and emerging	101	113	16.8	6.2
Total USA Division	**1,665**	**2,008**	**28.8**	**14.1**

Production (After Royalties)

(average daily)	Natural Gas (MMcf/d) 2013	Natural Gas (MMcf/d) 2012	Oil & NGLs (Mbbls/d) 2013	Oil & NGLs (Mbbls/d) 2012
Piceance	455	475	5.1	2.2
Jonah	323	411	4.7	4.1
Haynesville	348	475	-	-
Texas	136	167	-	0.1
Other and emerging	83	94	13.7	5.2
Total USA Division	**1,345**	**1,622**	**23.5**	**11.6**

Resource Plays and Activities in the USA Division

Piceance

Piceance is a resource play located in northwest Colorado. The basin is characterized by thick natural gas accumulations primarily in the Williams Fork formation. In addition to Williams Fork, Encana has begun exploration drilling in the Niobrara and Mancos formations, which are thick shales predominant throughout the basin. In 2013, production after royalties averaged approximately 455 MMcf/d of natural gas and approximately 5.1 Mbbls/d of oil and NGLs. At December 31, 2013, Encana controlled approximately 592,000 gross undeveloped acres (545,000 net acres).

Encana has a long-term joint venture agreement with Nucor under which Nucor will earn a 50 percent working interest in certain natural gas wells to be drilled in Piceance over the commitment period. Under the agreement, Nucor agreed to pay its share of well costs plus a portion attributable to Encana's interest.

In addition, Encana has several other existing joint venture arrangements to develop portions of the Piceance Basin. In 2013, Encana drilled approximately 85 net wells, of which 81 were drilled primarily using third party funds. For the remaining term of the joint venture arrangements, it is expected that Encana will drill approximately 2,667 net wells which will be partially funded by third parties.

Encana has current processing capacity of approximately 280 MMcf/d under commitments with remaining terms of up to 13 years. In 2012, the Company renegotiated certain gathering and processing agreements, which resulted in Encana receiving additional NGLs volumes from the Company's processed gas in the Piceance and Jonah areas.

Jonah

Jonah is a resource play located in the Green River Basin in southwest Wyoming. Production is from the Lance formation, which contains vertically stacked sands that exist at depths between 8,500 and 13,000 feet. In 2013, production after royalties averaged approximately 323 MMcf/d of natural gas and approximately 4.7 Mbbls/d of oil and NGLs. At December 31, 2013, Encana controlled approximately 115,000 gross undeveloped acres (103,000 net acres).

Historically, Encana's operations have been conducted in the over-pressured core portion of the field. Within the over-pressured area, Encana plans to drill the field to 10 acre spacing with higher densities in some areas. Outside of the over-pressured area, Encana owns approximately 114,000 gross undeveloped acres (101,000 net acres), where 40 acre and possibly 20 acre drilling potential exists.

Encana has two existing joint venture agreements whereby the partners earn working interest in certain areas of the Jonah field. In 2013, Encana drilled approximately 88 gross wells (49 net wells), all of which were drilled primarily using third party funds. Over the next two years, Encana expects to drill approximately 110 gross wells (64 net wells) primarily using third party funds under existing arrangements.

Haynesville

The Haynesville shale is a resource play located in Louisiana. The focus is on maximizing gas recovery in the Haynesville and Mid-Bossier horizons. Encana has developed the lands using a multi-well pad approach in key areas. In 2013, Encana drilled approximately 19 net wells in the area and production after royalties averaged approximately 348 MMcf/d of natural gas. At December 31, 2013, Encana controlled approximately 97,000 gross undeveloped acres (66,000 net acres), with the majority of the leaseholds in north Louisiana being located in the DeSoto and Red River parishes.

Encana has current processing capacity in Haynesville of approximately 1,070 MMcf/d under commitment terms through to 2020. In 2012, Encana secured the regulatory approval of cross unit lateral wells, enabling horizontal wells with lengths of approximately 7,500 feet.

Texas

Texas is a resource play with operations primarily located in East Texas. The focus is on tight gas with multi-zone targets in the Bossier and Cotton Valley zones, as well as shale gas in the Haynesville and Mid-Bossier horizons. In 2013, Encana drilled approximately one net well in Texas and production after royalties averaged approximately 136 MMcf/d of natural gas. At December 31, 2013, Encana controlled approximately 93,000 gross undeveloped acres (54,000 net acres).

DJ Niobrara

The DJ Niobrara is an emerging liquids play located in the DJ Basin in northern Colorado. The primary formation targets in the basin are the Codell, J-Sand and the Niobrara. At December 31, 2013, Encana controlled approximately 8,800 gross undeveloped acres (8,400 net acres). In 2013, Encana drilled approximately 34 net horizontal wells with an average effective length of 4,700 feet. Production after royalties averaged approximately 39 MMcf/d of natural gas and approximately 8.4 Mbbls/d of oil and NGLs.

San Juan

San Juan is an emerging oil play located in the San Juan Basin in New Mexico. The primary formation targets in the basin are the Gallup and Mancos silt. Encana has established a significant land position in the play. At December 31, 2013, Encana controlled approximately 322,000 gross undeveloped acres (181,000 net acres). In 2013, Encana drilled approximately 19 net horizontal wells with an average effective length of 4,300 feet. Production after royalties averaged approximately 3 MMcf/d of natural gas and approximately 1.4 Mbbls/d of oil and NGLs.

Tuscaloosa Marine Shale

The Tuscaloosa Marine Shale is an emerging oil play located in Louisiana and Mississippi. Encana has established a significant land position in the play. At December 31, 2013, Encana controlled approximately 317,000 gross undeveloped acres (302,000 net acres). In 2013, Encana drilled approximately three net horizontal wells, with an average effective length of 5,944 feet. Production after royalties averaged approximately 1.1 Mbbls/d of oil and NGLs.

Other Activity

Encana has established a land position in the Eaglebine oil play located in the East Texas Basin. At December 31, 2013, Encana controlled approximately 59,000 gross undeveloped acres (57,000 net acres). In 2013, Encana drilled approximately six net horizontal wells, with an average effective length of 7,856 feet.

Encana has established a significant land position in the Collingwood/Utica Shale liquids play located in Michigan. At December 31, 2013, Encana controlled approximately 387,000 gross undeveloped acres (387,000 net acres). In 2013, Encana drilled approximately two net horizontal wells, with an average effective length of 7,380 feet.

Market Optimization

Market Optimization activities are managed by Encana’s Midstream, Marketing & Fundamentals team, which is responsible for the sale of the Company’s proprietary production and enhancing the associated netback price. Market Optimization activities include third party purchases and sales of product to provide operational flexibility for transportation commitments, product type, delivery points and customer diversification.

Encana’s produced natural gas is primarily marketed to local distribution companies, industrials, other producers and energy marketing companies. Prices received by Encana are based primarily upon prevailing index prices for natural gas in the region in which it is sold. Prices are impacted by regional supply and demand for natural gas and by competing fuels in such markets.

Encana sells its oil, NGLs and condensate to markets in Canada and the U.S. Sales are normally executed under spot, monthly evergreen and term contracts with delivery to major pipeline/sales hubs at current market prices. In addition, Encana holds interests in two power assets, the Cavalier and Balzac Power Stations in Alberta.

As part of ordinary business operations, Encana has a number of delivery commitments to provide natural gas under existing contracts and agreements. The majority of Encana's production is sold under short term contracts at the relevant market price at the time that the product is sold. Encana sells all natural gas produced from Deep Panuke under a long term physical sales contract at prevailing market prices in that region. As at December 31, 2013, Encana had no material long term fixed price physical sales contracts or delivery contracts.

Encana seeks to mitigate the market risk associated with future cash flows by entering into various risk management contracts relating to produced natural gas, liquids and power. Details of those contracts related to Encana’s various risk management positions are found in Note 21 to Encana’s audited Consolidated Financial Statements for the year ended December 31, 2013 which are available via the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com and the Electronic Data Gathering, Analysis and Retrieval System (“EDGAR”) at www.sec.gov.

Reserves and Other Oil and Gas Information

Encana is required to provide reserves data prepared in accordance with Canadian securities regulatory requirements, specifically National Instrument 51-101, *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Certain reserves and oil and gas information in accordance with Canadian disclosure requirements are contained in ***Appendix A – Canadian Protocol Disclosure of Reserves Data and Other Oil and Gas Information.*** Additional disclosure required by NI 51-101 is included in the preceding sections of this Annual Information Form, and referenced accordingly herein. Select supplemental reserves and other oil and gas information disclosure is provided in accordance with U.S. disclosure requirements in ***Appendix D – U.S. Protocol Disclosure of Reserves Data and Other Oil and Gas Information****.* See "Note Regarding Reserves Data and Other Oil and Gas Information".

The practice of preparing production and reserve quantities data under Canadian disclosure requirements (NI 51-101) differs from the U.S. reporting requirements. The primary differences between the two reporting requirements include:

- the Canadian standards require disclosure of proved and probable reserves, while the U.S. standards require disclosure of only proved reserves;
- the Canadian standards require the use of forecast prices in the estimation of reserves, while the U.S. standards require the use of 12-month average historical prices which are held constant;
- the Canadian standards require disclosure of reserves on a gross (before royalties) and net (after royalties) basis, while the U.S standards require disclosure on a net (after royalties) basis;
- the Canadian standards require disclosure of production on a gross (before royalties) basis, while the U.S. standards require disclosure on a net (after royalties) basis;
- the Canadian standards require that reserves and other data be reported on a more granular product type basis than required by the U.S. standards; and
- the Canadian standards require that proved undeveloped reserves be reviewed annually for retention or reclassification if development has not proceeded as previously planned, while the U.S. standards specify a five year limit after initial booking for the development of proved undeveloped reserves.

Since its formation in 2002, Encana has retained independent qualified reserves evaluators ("IQREs") to evaluate and prepare reports on 100 percent of Encana's natural gas, oil and NGLs reserves annually. In 2013, Encana's Canadian reserves were evaluated by McDaniel & Associates Consultants Ltd. and GLJ Petroleum Consultants Ltd., and its U.S. reserves were evaluated by Netherland, Sewell & Associates, Inc. and DeGolyer and MacNaughton.

Encana's Vice-President, Corporate Reserves & Competitor Analysis and six other staff under this individual's direction oversaw the preparation of the reserves estimates by the IQREs. This internal staff consisted of four professional engineers, one engineering technologist and two business analysts with a combined relevant experience of over 100 years. The engineering staff were all members of the appropriate professional associations as well as being members of various industry associations such as the Society of Petroleum Engineers and the Society of Petroleum Evaluation Engineers.

Encana has a Reserves Committee composed of independent board members that reviews the qualifications and appointment of the IQREs. The Reserves Committee also reviews the procedures for providing information to the IQREs. All booked reserves are based upon annual evaluations by the IQREs. Annually, the Reserves Committee recommends the selection of IQREs to the Board of Directors for its approval.

The evaluations by the IQREs are conducted from the fundamental petrophysical, geological, engineering, financial and accounting data. Processes and procedures are in place to ensure that the IQREs are in receipt of all relevant information. Reserves are estimated based on material balance analysis, decline analysis, volumetric calculations or a combination of these methods, in all cases having regard to economic considerations. In the case of producing reserves, the emphasis is on decline analysis where volumetric analysis is considered to limit forecasts to reasonable levels. Non-producing reserves are estimated by analogy to producing offsets, with consideration of volumetric estimates of in place quantities. All locations to which proved undeveloped reserves have been assigned are subject to a development plan adopted by Encana's management.

Acquisitions, Divestitures and Capital Expenditures

Encana's growth in recent years has been achieved through a combination of internal growth and acquisitions. Encana has a large inventory of internal growth opportunities and also continues to examine select acquisition opportunities to develop and expand its resource plays. The acquisition opportunities may include corporate or asset acquisitions. Encana may finance any such acquisitions with debt, equity, cash generated from operations, proceeds from asset divestitures or a combination of any of these sources.

The following table summarizes Encana's net capital investment for 2013 and 2012.

($ millions)	**2013**	**2012**
Capital Investment		
Canadian Division	1,365	1,567
USA Division	1,283	1,727
Market Optimization	3	7
Corporate & Other	61	175
	2,712	3,476
Acquisitions		
Canadian Division	28	139
USA Division	156	240
Divestitures		
Canadian Division	(685)	(3,770)
USA Division	(18)	(271)
Corporate & Other	(2)	(2)
Net Acquisitions and Divestitures	(521)	(3,664)
Net Capital Investment	**2,191**	**(188)**

Capital investment during 2013 reflected the Company's disciplined capital spending which focused on investment in Encana's highest return resource plays, investments in opportunities where development has demonstrated success and executing drilling programs with joint venture partners. Acquisitions primarily included land and property purchases with oil and liquids rich natural gas production potential.

Divestiture proceeds for 2013 in the Canadian Division included the sale of the Jean Marie natural gas assets in the Greater Sierra resource play in northeast British Columbia and other assets. For additional information, see "General Development of the Business – Recent Developments – 2013".

Competitive Conditions

All aspects of the oil and gas industry are highly competitive and Encana actively competes with other companies in the industry, particularly in the following areas:

- Exploration for and development of new sources of natural gas, oil and NGL reserves;
- Reserves and property acquisitions;
- Transportation and marketing of natural gas, oil, NGLs, diluents and electricity;
- Access to services and equipment to carry out exploration, development and operating activities; and
- Attracting and retaining experienced industry personnel.

The oil and gas industry also competes with other industries focused on providing alternative forms of energy to consumers. Competitive forces can lead to cost increases or result in an oversupply of natural gas, oil or NGLs, each of which could have a negative impact on Encana's financial results.

Environmental Protection

Encana's operations are subject to laws and regulations concerning pollution, protection of the environment and the handling and transportation of hazardous materials. These laws and regulations generally require Encana to remove or remedy the effect of its activities on the environment at present and former operating sites, including dismantling production facilities and remediating damage caused by the use or release of specified substances.

The Corporate Responsibility, Environment, Health and Safety Committee of Encana's Board of Directors reviews and recommends environmental policy to the Board of Directors for approval and oversees compliance with government laws and regulations. Monitoring and reporting programs for environmental, health and safety ("EH&S") performance in day-to-day operations, as well as inspections and assessments, are designed to provide assurance that environmental and regulatory standards are met. Contingency plans are in place for a timely response to an environmental event and remediation/reclamation programs are in place and utilized to restore the environment.

Encana monitors developments in emerging climate change policy and legislation, and considers the associated costs of carbon in its strategic planning. The Corporate Responsibility, Environment, Health and Safety Committee of Encana's Board of Directors reviews the impact of a variety of carbon constrained scenarios on Encana's strategy with a current price range from approximately $10 to $80 per tonne of emissions, applied to a range of emissions coverage levels.

Encana expects to incur abandonment and site reclamation costs as existing oil and gas properties are abandoned and reclaimed. In 2013, expenditures for normal compliance with environmental regulations as well as expenditures beyond normal compliance were not material. Encana's current estimate of the total undiscounted future abandonment and reclamation costs to be incurred over the life of the reserves is approximately $4.3 billion. As at December 31, 2013, Encana has recorded an asset retirement obligation of $966 million.

Social and Environmental Policies

Encana has a Corporate Responsibility Policy, an Environment Policy and a Health & Safety Policy (the "Policies") that articulate Encana's commitment to responsible development. The Policies apply to any activity undertaken by or on behalf of Encana, anywhere in the world, associated with the finding, development, production, transmission and storage of the Company's products including decommissioning of facilities, marketing and other business and administrative functions. The Corporate Responsibility Policy articulates Encana's commitment to conducting its business ethically, legally and in a manner that is fiscally, environmentally and socially responsible, while delivering strong financial performance. The Corporate Responsibility Policy has specific requirements in areas related to governance, people, environment, health and safety, engagement, and community involvement.

With respect to Encana's relationship with the communities in which it does business, the Corporate Responsibility Policy states that Encana will: strive to be a good neighbour by contributing to the well-being of the communities where it operates, recognizing their differing priorities and needs; engaging, listening and working with stakeholders in a timely, respectful and meaningful way; and aligning its community investments with its business strategy and seek to provide mutually beneficial relationships with the community and non-governmental organizations.

With respect to human rights, the Corporate Responsibility Policy states that Encana will abide by all applicable workplace, employment, privacy and human rights legislation. In addition, Encana will provide a respectful, inclusive workplace free from harassment, discrimination and intimidation.

The Environment Policy recognizes that responsible environmental practices contribute to long-term shareholder value creation and articulates Encana's commitment to environmental stewardship. The Environment Policy outlines specific requirements in areas related to: compliance with environmental laws and regulations; environmental risk assessment and mitigation; air emissions management; water sourcing, handling and disposal; pollution prevention and waste minimization; and habitat, plant and wildlife disturbance.

The Health & Safety Policy recognizes that all occupational injuries and illnesses are preventable and states Encana's goal of achieving a workplace free of recognized hazards, occupational injuries and illnesses. The Policy provides all personnel working on an Encana location with the authority and responsibility to stop work without repercussions when an unsafe situation is recognized or suspected.

The Policies and any revisions are approved by Encana's Senior Management Team and its Board of Directors. Accountability for implementation of the Policies is at the operational level within Encana's organizational structure. The operating teams have established processes to evaluate risks and programs have been implemented to minimize those risks. Coordination and oversight of the Policies resides with Encana's Policy, Environment and Sustainability group.

Some of the steps that Encana has taken to embed the corporate responsibility approach throughout the organization include:

- A comprehensive approach to training and communicating policies and practices and a requirement for acknowledgement and sign-off on key policies from the Board of Directors and employees;
- An EH&S management system;
- A security program to regularly assess security threats to business operations and to manage the associated risks;
- A formalized approach to stakeholder relations with a standardized Stakeholder Engagement Guide and specific Aboriginal Community Engagement Guide;
- Corporate responsibility performance metrics to track the Company's progress;
- An Environmental Innovation Fund with a mandate to make investments in projects that economically improve the environmental performance of the Company through the development and implementation of innovative technology.

- A comprehensive community investment program that contributes to charitable and non-profit organizations in the communities in which Encana operates and an employee program that matches employee donations up to $25,000 per employee, per year;
- An Investigations Practice and an Investigations Committee to review and resolve potential violations of Encana policies or practices and other regulations;
- An Integrity Hotline that provides an additional avenue for Encana's stakeholders to raise their concerns, and a corporate responsibility website which allows people to write to the Company about non-financial issues of concern;
- An internal corporate EH&S audit program that evaluates Encana's compliance with the expectations and requirements of the EH&S management system;
- A Business Code of Conduct which establishes Encana's commitment to conducting business ethically and legally and to which employees, contractors and directors are held accountable; and
- Related policies and practices such as an Anti-Fraud Policy, a Conflict of Interest Policy, a Prevention of Corruption Policy, an Alcohol and Drug Policy, a Political Contributions Policy, an Information Management Policy, an Acceptance of Gifts Practice and a Lobbying Practice which outline Encana's expectations of employee, contractor and director behaviors that are consistent with leading ethical business practices.

In addition, Encana's Board of Directors approves such policies, and is advised of significant contraventions thereof, and receives updates on trends, issues or events which could have a significant impact on the Company.

Employees

At December 31, 2013, Encana employed 3,303 employees as set forth in the following table.

	Employees
Canadian Division	1,416
USA Division	1,342
Corporate	545
Total	**3,303**

The Company also engages a number of contractors and service providers.

Foreign Operations

As at December 31, 2013, all of Encana's reserves and production were located in North America, which limits Encana's exposure to risks and uncertainties in countries considered politically and economically unstable. Any operations and related assets outside North America may be adversely affected by changes in governmental policy, social instability or other political or economic developments which are not within the control of Encana, including the expropriation of property, the cancellation or modification of contract rights and restrictions on repatriation of cash.

Directors and Officers

The following information is provided for each director and executive officer of Encana as at the date of this Annual Information Form.

Directors

Name & Municipality of Residence	Director Since [1]	Principal Occupation
Clayton H. Woitas [5,7] Calgary, Alberta, Canada	2008	Chairman Encana Corporation Chairman & Chief Executive Officer Range Royalty Management Ltd. (Private oil & gas company)
Peter A. Dea [3,5,6] Denver, Colorado, U.S.A.	2010	President & Chief Executive Officer Cirque Resources LP *(Private oil & gas company)*
Claire S. Farley [3,5,6] Houston, Texas, U.S.A.	2008	Member KKR Management LLC *(Public global investment firm)*
Fred J. Fowler [3,4] Houston, Texas, U.S.A.	2010	Corporate Director
Suzanne P. Nimocks [2,4,5] Houston, Texas, U.S.A.	2010	Corporate Director
David P. O'Brien, O.C. Calgary, Alberta, Canada	1990	Corporate Director
Jane L. Peverett [2,5,6] West Vancouver, British Columbia, Canada	2003	Corporate Director
Brian G. Shaw [2,4] Toronto, Ontario, Canada	2013	Corporate Director
Douglas J. Suttles [8] Calgary, Alberta, Canada	2013	President & Chief Executive Officer Encana Corporation
Bruce G. Waterman [2,4] Calgary, Alberta, Canada	2010	Corporate Director

Notes:

(1) Denotes the year each individual became a director of Encana or one of its predecessor companies (AEC or PanCanadian).
(2) Member of Audit Committee.
(3) Member of Corporate Responsibility, Environment, Health and Safety Committee.
(4) Member of Human Resources and Compensation Committee.
(5) Member of Nominating and Corporate Governance Committee.
(6) Member of Reserves Committee.
(7) Ex officio non-voting member of all other committees. As an ex officio non-voting member, Mr. Woitas attends as his schedule permits and may vote when necessary to achieve a quorum.
(8) As an officer of Encana and a non-independent director, Mr. Suttles is not a member of any Board Committees.

Encana does not have an Executive Committee of its Board of Directors.

At the date of this Annual Information Form, there are 10 directors of the Company. All of the current directors were elected at the last annual meeting of shareholders held on April 23, 2013, except for Douglas J. Suttles, who was appointed by the Board of Directors effective June 10, 2013. At the next annual meeting, shareholders will be asked to elect as directors each of the individuals listed in the above table, except for David P. O'Brien, who has reached the Company's mandatory retirement age. The Company's mandatory retirement age restrictions, which have been established by the Board of Directors, stipulate that a director may not stand for re-election after reaching the age of 71.

Executive Officers

Name & Municipality of Residence	Corporate Office
Douglas J. Suttles Calgary, Alberta, Canada	President & Chief Executive Officer
Sherri A. Brillon Calgary, Alberta, Canada	Executive Vice-President & Chief Financial Officer
David G. Hill Denver, Colorado, U.S.A.	Executive Vice-President, Exploration & Business Development
Terrence J. Hopwood Calgary, Alberta, Canada	Executive Vice-President & General Counsel
Michael G. McAllister Calgary, Alberta, Canada	Executive Vice-President & Chief Operating Officer
D. Ryder McRitchie Calgary, Alberta, Canada	Vice-President, Investor Relations & Communications
Renee E. Zemljak Denver, Colorado, U.S.A.	Executive Vice-President, Midstream, Marketing & Fundamentals

During the last five years, all of the directors and executive officers have served in various capacities with Encana or its predecessor companies or have held the principal occupation indicated opposite their names except for the following:

Mr. Suttles joined Encana in June 2013. From March 2011 until June 2013, he was an independent businessman performing consulting services in the oil and gas industry and serving on the boards of Ceres, Inc. (a publicly traded energy crop company) and NEOS GeoSolutions (a privately held geosciences company). Mr. Suttles was Chief Operating Officer at BP Exploration & Production from January 2009 until March 2011. From December 2006 until December 2008, Mr. Suttles was the President of BP Alaska.

Ms. Farley is a Member of KKR Management LLC, the general partner of KKR & Co. ("KKR") as of December 2012, and was a Managing Director of KKR's energy and infrastructure group from November 2011 to December 2012. Prior to joining KKR as an employee, Ms. Farley co-founded RPM Energy LLC (a privately-owned oil and gas exploration and development company) created in September 2010 and partnered with KKR. She was an Advisory Director of Jefferies Randall & Dewey (a private global oil and gas energy industry advisor) from August 2008 to September 2010 and was Co-President of Jefferies Randall & Dewey from February 2005 to August 2008. She was a Managing Partner of Castex Energy Partners (a private exploration and production limited partnership) from August 2008 to January 2009.

Mr. Fowler is a director of Spectra Energy Partners, LP (a public entity). He was Chairman of Spectra Energy Partners, LP from October 2008 until November 2013. He was President & Chief Executive Officer of Spectra Energy Corp. (a natural gas gathering, processing and mainline transportation company) from December 2006 to December 2008 and served as a director from December 2006 to May 2009.

Ms. Nimocks was a director (senior partner) with McKinsey & Company (a private global management consulting firm) from June 1999 to March 2010 and was with the firm in various other capacities since 1989, including as a leader in the firm's Global Petroleum Practice, Electric Power & Natural Gas Practice, Organization Practice, and Risk Management Practice, as a member of the firm's worldwide personnel committees for many years and as the Houston Office Manager for eight years.

Ms. Peverett was President and Chief Executive Officer of BC Transmission Corporation ("BCTC") (electrical transmission) from April 2005 to January 2009.

Mr. Shaw has been a director of Patheon Inc. (a publicly listed provider of drug development and manufacturing services) since December 2009, Manulife Bank of Canada (a private chartered bank) since February 2012 and Manulife Trust Company (a private trust company) since February 2012. Prior to that, Mr. Shaw was Chairman and Chief Executive Officer of CIBC World Markets Inc. from 2005 through 2008.

Mr. Waterman was Executive Vice President, International Development of Agrium Inc. (a public agricultural supply company) from February 2012 through January 2013. From April 2011 through February 2012, Mr. Waterman was Executive Vice President and Chief Strategy Development & Investment Officer of Agrium and from April 2000 through April 2011 he was Senior Vice President, Finance & Chief Financial Officer of Agrium.

Mr. Hopwood was Senior Vice President and General Counsel of Suncor Energy Inc. (a public oil and gas company) from 2002 to February 2011.

All of the directors and executive officers of Encana listed above, as a group, beneficially owned or controlled or directed, directly or indirectly, as of February 12, 2014, an aggregate of 348,707 common shares representing 0.05 percent of the issued and outstanding voting shares of Encana, and held options to acquire an aggregate of 2,775,677 additional common shares.

Investors should be aware that some of the directors and officers of the Company are directors and officers of other private and public companies. Some of these private and public companies may, from time to time, be involved in business transactions or banking relationships which may create situations in which conflicts might arise. Any such conflicts shall be resolved in accordance with the procedures and requirements of the relevant provisions of the CBCA, including the duty of such directors and officers to act honestly and in good faith with a view to the best interests of the Company.

Audit Committee Information

The full text of the Audit Committee mandate is included in ***Appendix E*** of this Annual Information Form.

Composition of the Audit Committee

The Audit Committee consists of four members, all of whom are independent and financially literate in accordance with the definitions in National Instrument 52-110 *Audit Committees.* The relevant education and experience of each Audit Committee member is outlined below.

Suzanne P. Nimocks

Ms. Nimocks holds a Bachelor of Arts in Economics (Tufts University) and a Masters in Business Administration (Harvard Graduate School of Business). She is a Corporate Director. Ms. Nimocks is a director of Rowan Companies plc (a public international contract drilling services company), ArcelorMittal (a public international steel company) and Owens Corning (a global producer of residential and commercial building materials). She was a director (senior partner) with McKinsey & Company (a private global management consulting firm) from June 1999 to March 2010 and was with the firm in various other capacities since 1989, including as a leader in the firm's Global Petroleum Practice, Electric Power & Natural Gas Practice, Organization Practice, and Risk Management Practice, as a member of the firm's worldwide personnel committees for many years and as the Houston Office Manager for eight years.

Jane L. Peverett (Audit Committee Chair)

Ms. Peverett holds a Bachelor of Commerce (McMaster University) and a Master of Business Administration (Queen's University), together with a designation as a Certified Management Accountant and a Canadian Security Analyst Certificate. She is also a Fellow of The Society of Management Accountants (FCMA). Ms. Peverett is a Corporate Director. She is a director of Northwest Natural Gas Company (a public natural gas distribution company), Canadian Imperial Bank of Commerce (one of Canada's largest banks), the B.C. Ferry Authority, Associated Electric & Gas Insurance Services Limited (a private mutual insurance company), Postmedia Network Canada Corp. and Postmedia Network Inc. (a public publishing company). She is also the Audit Committee Chair of Canadian Imperial Bank of Commerce. She was President and Chief Executive Officer of BCTC (electrical transmission) from April 2005 to January 2009 and was previously Vice President, Corporate Services and Chief Financial Officer of BCTC from June 2003 to April 2005. In her 18-year career with the Westcoast Energy Inc./Duke Energy Corporation group of companies, she held senior executive positions with Union Gas Limited (Ontario), including President, President and Chief Executive Officer, Senior Vice President Sales & Marketing and Chief Financial Officer, among others.

Brian G. Shaw

Mr. Shaw is a Chartered Financial Analyst, holds a Masters of Business Administration (University of Alberta) and a Bachelor of Commerce (University of Alberta) and is a Corporate Director. Mr. Shaw is a director of Patheon Inc. (a publicly listed provider of drug development and manufacturing services), Manulife Bank of Canada (a private chartered bank) and Manulife Trust Company (a private trust company) and Ivey Canadian Exploration Ltd. (a private exploration company). He is also the Chairman of the Audit Committee of Patheon Inc. and a member of the Audit Committees of Manulife Bank of Canada and Manulife Trust Company. He has experience in corporate finance, capital markets, investing activities and corporate governance gained through his executive level position at CIBC World Markets Inc., which included his role as Chairman and Chief Executive Officer of CIBC World Markets Inc. from 2005 through 2008.

Bruce G. Waterman

Mr. Waterman holds a Bachelor of Commerce (Queen's University) and a designation as a Chartered Accountant. He is also a Fellow of the Chartered Accountants (FCA). Mr. Waterman is a director of Enbridge Income Fund Holdings Inc. and a trustee of Enbridge Commercial Trust. He is also a director of Irving Oil Limited. He was Executive Vice President of Agrium Inc. (a public agricultural company), where he held senior roles as Chief

Financial Officer, as well as in Business Development and Strategy, from April 2000 through to his retirement in January 2013. Prior to joining Agrium, Mr. Waterman was the Vice-President & Chief Financial Officer of Talisman Energy Inc. (a public oil and gas company) from January 1996 to April 2000. Mr. Waterman also has extensive expertise in oil and gas exploration and production operations, having spent 15 years (1981 to 1996) at Amoco Corporation, including Dome Petroleum Limited, a predecessor company. At Amoco (a global chemical, oil and gas company which merged with British Petroleum in 1998), his roles included various positions in finance, accounting and business development.

The above list does not include Clayton H. Woitas who is an ex officio member of the Audit Committee.

Pre-Approval Policies and Procedures

Encana has adopted policies and procedures with respect to the pre-approval of audit and permitted non-audit services to be provided by PricewaterhouseCoopers LLP. The Audit Committee of the Board of Directors has established a budget for the provision of a specified list of audit and permitted non-audit services that the Audit Committee believes to be typical, recurring or otherwise likely to be provided by PricewaterhouseCoopers LLP. The budget generally covers the period between the adoption of the budget and the next meeting of the Audit Committee, but at the option of the Audit Committee it may cover a longer or shorter period. The list of services is sufficiently detailed as to the particular services to be provided to ensure that (i) the Audit Committee knows what services it is being asked to pre-approve; and (ii) it is not necessary for any member of management to make a judgment as to whether a proposed service fits within the pre-approved services.

Subject to the next paragraph, the Audit Committee has delegated authority to the Chair of the Audit Committee (or if the Chair is unavailable, any other member of the Committee) to pre-approve the provision of permitted services by PricewaterhouseCoopers LLP which have not otherwise been pre-approved by the Audit Committee, including the fees and terms of the proposed services ("Delegated Authority"). All pre-approvals granted pursuant to Delegated Authority must be presented by the member(s) who granted the pre-approvals to the full Audit Committee at its next meeting. The fees payable in connection with any particular service to be provided by PricewaterhouseCoopers LLP that has been pre-approved pursuant to Delegated Authority (i) may not exceed C$200,000, in the case of pre-approvals granted by the Chair of the Audit Committee; and (ii) may not exceed C$50,000, in the case of pre-approvals granted by any other member of the Audit Committee.

All proposed services, or the fees payable in connection with such services, that have not already been pre-approved must be pre-approved by either the Audit Committee or pursuant to Delegated Authority. Prohibited services may not be pre-approved by the Audit Committee or pursuant to Delegated Authority.

External Auditor Service Fees

The following table provides information about the fees billed to the Company for professional services rendered by PricewaterhouseCoopers LLP during fiscal 2013 and 2012.

(C$ thousands)	**2013**	**2012**
Audit Fees (1)	3,583	3,393
Audit-Related Fees (2)	312	132
Tax Fees (3)	415	361
All Other Fees(4)	4	4
Total	**4,314**	**3,890**

Notes:

(1) Audit fees consist of fees for the audit of the Company's annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.

(2) Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as Audit Fees. During fiscal 2013 and 2012, the services provided in this category included reviews in connection with acquisitions and divestitures, research of accounting and audit-related issues and the review of reserves disclosure.

(3) Tax fees consist of fees for tax compliance services, tax advice and tax planning. During fiscal 2013 and 2012, the services provided in this category included assistance and advice in relation to the preparation of corporate income tax returns.

(4) During fiscal 2013 and 2012, the services provided in this category included the payment of maintenance fees associated with a research tool that grants access to a comprehensive library of financial reporting and assurance literature.

Encana did not rely on the *de minimis* exemption provided by Section (c)(7)(i)(C) of Rule 2-01 of Securities and Exchange Commission ("SEC") Regulation S-X in 2013 or 2012.

Description of Share Capital

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. As of December 31, 2013, there were approximately 740.9 million common shares outstanding and no preferred shares outstanding.

Common Shares

The holders of the common shares are entitled to receive dividends if, as and when declared by the Board of Directors of the Company. The holders of the common shares are entitled to receive notice of and to attend all meetings of shareholders and are entitled to one vote per common share held at all such meetings. In the event of the liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the common shares will be entitled to participate rateably in any distribution of the assets of the Company.

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 that the options were issued. Options granted under the plans are generally fully exercisable between three to four years and expire five years after the grant date.

The November 30, 2009 Split Transaction was effected by way of an arrangement under the CBCA, under which the holders of common shares of Encana received one new Encana common share and one common share of Cenovus for each Encana common share previously held. Holders of the stock options of Encana became the holders of stock options of Encana and Cenovus, with the exercise price under the stock options being adjusted based on the relative trading prices of the Encana and Cenovus common shares.

The Company has a shareholder rights plan (the "Plan") that was adopted to ensure, to the extent possible, that all shareholders of the Company are treated fairly in connection with any take-over bid for the Company. The Plan creates a right that attaches to each present and subsequently issued common share. Until the separation time, which typically occurs at the time of an unsolicited take-over bid, whereby a person acquires or attempts to acquire 20 percent or more of Encana's common shares, the rights are not separable from the common shares, are not exercisable and no separate rights certificates are issued. Each right entitles the holder, other than the 20 percent acquirer, from and after the separation time and before certain expiration times, to acquire one common share at 50 percent of the market price at the time of exercise. The Plan was reconfirmed at the Company's 2013 annual meeting of shareholders and must be reconfirmed at every third annual meeting thereafter.

Preferred Shares

Preferred shares may be issued in one or more series. The Board of Directors may determine the designation, rights, privileges, restrictions and conditions attached to each series of preferred shares before the issue of such series. Holders of the preferred shares are not entitled to vote at any meeting of the shareholders of the Company, but may be entitled to vote if the Company fails to pay dividends on that series of preferred shares. The first preferred shares are entitled to priority over the second preferred shares and the common shares of the Company, and the second preferred shares are entitled to priority over the common shares of the Company, with respect to the payment of dividends and the distribution of assets of the Company in the event of any liquidation, dissolution or winding up of the Company's affairs.

Credit Ratings

The following information relating to Encana's credit ratings is provided as it relates to Encana's financing costs and liquidity. Specifically, credit ratings affect Encana's ability to obtain short-term and long-term financing and the cost of such financing. Additionally, the ability of Encana to engage in certain collateralized business activities on a cost effective basis depends on the Company maintaining competitive credit ratings. A reduction in the current ratings on the Company's debt by its rating agencies, particularly a downgrade below investment grade ratings, could adversely affect the Company's cost of financing and its access to sources of liquidity and capital. In addition, changes in credit ratings may affect the Company's ability to, and the associated costs of, entering into normal course derivative transactions for risk management activities.

The following table outlines the ratings issued by the respective rating agencies as of February 12, 2014.

	Standard & Poor's Ratings Services ("S&P")	Moody's Investors Service ("Moody's")	DBRS Limited ("DBRS")
Long-Term - Senior Unsecured	BBB	Baa2	BBB
Short-Term - Commercial Paper	A-3	P-2	R-2 (mid)
Outlook/Trend	Negative	Stable	Stable

Credit ratings are intended to provide investors with an independent measure of credit quality of any issue of securities. The credit ratings assigned by the rating agencies are not recommendations to purchase, hold or sell the securities nor do the ratings comment on market price or suitability for a particular investor. Any rating may not remain in effect for any given period of time or may be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

S&P's long-term credit ratings are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality. A rating of BBB by S&P is within the fourth highest of ten categories and indicates that the obligation exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the issuer to meet its financial commitments. S&P's short-term Canadian commercial paper ratings are on a scale that ranges from A-1 (high) to D, which represents the range from highest to lowest quality. A rating of A-3 is the fifth highest of eight categories and indicates adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. A negative outlook means that a rating may be lowered.

Moody's long-term credit ratings are on a rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality. A rating of Baa2 by Moody's is within the fourth highest of nine categories and is assigned to obligations judged to be medium grade and subject to moderate credit risk. As such, they may possess certain speculative characteristics. The addition of a 1, 2 or 3 modifier after a rating indicates the relative standing within a particular rating category. The modifier 1 indicates that the obligation ranks in the higher end of its rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates a ranking in the lower end of its rating category. Moody's short-term credit ratings are on a rating scale that ranges from P-1 to NP, which represents the range from highest to lowest quality. A rating of P-2 is the second highest of four categories and indicates that the issuer has a strong ability to repay short-term debt obligations.

DBRS' long-term credit ratings are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality. A rating of BBB by DBRS is within the fourth highest of ten categories and is assigned to obligations considered to be of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. DBRS' commercial paper and short-term debt credit ratings are on a scale ranging from R-1 (high) to D, which represents the range from highest to lowest quality. A rating of R-2 (mid) is the fifth highest of ten categories and indicates that the short-term debt is of adequate credit quality. The capacity for the payment of short-term financial obligations as they fall due is acceptable and the issuer may be vulnerable to future events or may be exposed to other factors that could reduce credit quality.

Encana has paid each of S&P, Moody's, and DBRS their customary fees in connection with the provision of the above ratings. Encana has not made any payments to S&P, Moody's or DBRS over the past two years for services unrelated to the provision of such ratings.

See "Risk Factors – A downgrade in Encana's credit rating could increase its cost of capital and limit its access to capital, suppliers or counterparties" in this Annual Information Form.

Market for Securities

All of the outstanding common shares of Encana are listed and posted for trading on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange under the symbol "ECA". The following table outlines the share price trading range and volume of shares traded by month in 2013.

	Toronto Stock Exchange				New York Stock Exchange			
	Share Price Trading Range			Share	Share Price Trading Range			Share
	High	Low	Close	Volume	High	Low	Close	Volume
	(C$ per share)			(millions)	($ per share)			(millions)
2013								
January	20.20	18.96	19.28	46.2	20.46	19.14	19.36	21.2
February	19.75	17.64	18.55	41.9	19.83	17.52	17.98	21.2
March	20.98	18.00	19.76	50.2	20.55	17.51	19.46	18.1
April	19.89	18.30	18.57	51.9	19.64	17.91	18.45	18.8
May	20.52	17.77	19.77	40.4	19.97	17.64	19.03	18.3
June	19.78	17.40	17.79	45.4	19.10	16.51	16.94	17.6
July	18.74	17.48	18.02	60.6	18.23	16.49	17.52	18.9
August	18.65	17.86	17.99	31.7	18.01	17.04	17.10	20.9
September	18.80	17.68	17.80	41.7	18.22	17.01	17.33	15.7
October	19.79	17.55	18.68	54.4	19.05	16.97	17.92	18.8
November	20.78	18.37	20.32	86.2	19.77	17.64	19.19	25.4
December	20.71	18.77	19.18	39.1	19.48	17.63	18.05	17.2

On March 25, 2013, Encana amended its Dividend Reinvestment Plan ("DRIP") to permit the Company to issue to participating shareholders of the DRIP Encana common shares at a discount, as determined by the Board of Directors from time to time, to the average market price for the applicable dividend payment date.

On February 13, 2014, Encana announced that any future dividends in conjunction with the DRIP will be issued from Encana's treasury without a discount to the average market price unless otherwise announced by Encana via news release.

Dividends

The declaration of dividends is at the discretion of the Board of Directors and is approved quarterly. For the first three quarters of 2013, Encana paid a quarterly dividend of $0.20 per share. For the fourth quarter of 2013, Encana paid a quarterly dividend of $0.07 per share ($0.67 per share annually). During 2012 and 2011, Encana paid a quarterly dividend of $0.20 per share ($0.80 per share annually).

Legal Proceedings

Encana is involved in various legal claims and actions arising in the course of the Company's operations. Although the outcome of these matters cannot be predicted with certainty and there can be no assurance that such matters will be resolved in Encana's favour, the Company does not expect these matters to have a material adverse effect on Encana's financial position, cash flows or results of operations. If an unfavourable outcome were to occur, there exists the possibility of a material adverse impact on the Company's consolidated net earnings or loss in the period in which the outcome is determined.

See "Risk Factors – The Company is subject to claims, litigation, administrative proceedings and regulatory actions".

Risk Factors

If any event arising from the risk factors set forth below occurs, Encana's business, prospects, financial condition, results of operations, cash flows or the trading prices of securities and in some cases its reputation could be materially adversely affected. When assessing the materiality of the foregoing risk factors, Encana takes into account a number of qualitative and quantitative factors, including, but not limited to, financial, operational, environmental, regulatory, reputational and safety aspects of the identified risk factor.

A substantial or extended decline in natural gas or liquids prices could have a material adverse effect on Encana.

Encana's financial performance and condition are substantially dependent on the prevailing prices of natural gas and liquids. Fluctuations in natural gas or liquids prices could have an adverse effect on the Company's operations and financial condition and the value and amount of its reserves. Prices for natural gas and liquids fluctuate in response to changes in the supply and demand for natural gas and oil, market uncertainty and a variety of additional factors beyond the Company's control.

Natural gas prices realized by Encana are affected primarily by North American supply and demand, weather conditions and by prices of alternate sources of energy (including refined product, coal, and renewable energy initiatives). A substantial or extended decline in the price of natural gas or a continued low price environment for natural gas could result in a delay or cancellation of existing or future drilling, development or construction programs or curtailment in production at some properties or could result in unutilized long-term transportation and drilling commitments, all of which could have an adverse effect on the Company's revenues, profitability and cash flows.

Oil prices are largely determined by international supply and demand. Factors which affect oil prices include the actions of the Organization of Petroleum Exporting Countries, world economic conditions, government regulation, political stability in the Middle East and elsewhere, the foreign supply of oil, the price of foreign imports, the availability of alternate fuel sources, transportation and infrastructure constraints and weather conditions. Historically, NGL prices have generally been correlated with oil prices, although they are determined based on supply and demand in international and domestic NGL markets.

Natural gas and oil producers in North America, and particularly in Canada, currently receive significantly discounted prices for their production relative to certain international prices due to constraints on their ability to transport and sell such production to international markets. A failure to resolve such constraints may result in continued discounted or reduced commodity prices realized by natural gas and oil producers, including Encana.

On at least an annual basis, Encana conducts an assessment of the carrying value of its assets in accordance with applicable accounting standards. If natural gas or liquids prices decline, the carrying value of Encana's assets could be subject to financial downward revisions, and the Company's net earnings could be adversely affected.

Encana’s ability to operate and complete projects is dependent on factors outside of its control.

The Company’s ability to operate, generate sufficient cash flows, and complete projects depends upon numerous factors beyond the Company’s control. In addition to commodity prices and continued market demand for its products, these non-controllable factors include general business and market conditions, economic recessions and financial market turmoil, the overall state of the capital markets, including investor appetite for investments in the oil and gas industry generally and the Company’s securities in particular, the ability to secure and maintain cost effective financing for its commitments, legislative, environmental and regulatory matters, reliance on industry partners and service providers, unexpected cost increases, royalties, taxes, volatility in natural gas and liquids prices, the availability of drilling and other equipment, the ability to access lands, the ability to access water for hydraulic fracturing operations, weather, the availability of processing capacity, the availability and proximity of pipeline capacity, technology failures, accidents, the availability of skilled labour, and reservoir quality.

The tentative recovery from the global recession is creating ongoing fiscal challenges for the world economy. These conditions impact Encana’s customers and suppliers and may alter the Company’s spending and operating plans. There may be unexpected business impacts from this market uncertainty, including volatile changes in currency exchange rates, inflation, interest rates, and general levels of investing and consuming activity, as well as potential impact on the Company’s credit ratings, which could affect its liquidity and ability to obtain financing.

The Company undertakes a variety of projects including exploration and development projects and the construction or expansion of facilities and pipelines. Project delays may delay expected revenues and project cost overruns could make projects uneconomic.

All of Encana’s operations are subject to regulation and intervention by governments that can affect or prohibit the drilling, completion and tie-in of wells, production, the construction or expansion of facilities and the operation and abandonment of fields. Contract rights can be cancelled or expropriated. Changes to government regulation could impact the Company’s existing and planned projects.

The Company’s business is subject to environmental regulation in all jurisdictions in which it operates and any changes in such regulation could negatively affect its results of operations.

All phases of the natural gas and liquids businesses are subject to environmental regulation pursuant to a variety of Canadian, U.S. and other federal, provincial, territorial, state and municipal laws and regulations (collectively, “environmental regulation”).

Environmental regulation imposes, among other things, restrictions, liabilities and obligations in connection with the use, generation, handling, storage, transportation, treatment and disposal of chemicals, hazardous substances and waste associated with the finding, production, transmission and storage of the Company’s products including the hydraulic fracturing of wells, the decommissioning of facilities and in connection with spills, releases and emissions of various substances to the environment. It also imposes restrictions, liabilities and obligations in connection with the management of fresh or potable water sources that are being used, or whose use is contemplated, in connection with natural gas and oil operations.

Environmental regulation also requires that wells, facility sites and other properties associated with Encana’s operations be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. In addition, certain types of operations, including exploration and development projects and changes to certain existing projects, may require the submission and approval of environmental impact assessments or permit applications. Compliance with environmental regulation can require significant expenditures, including expenditures for clean-up costs and damages arising out of contaminated properties and failure to comply with environmental regulation may result in the imposition of fines and penalties.

Although it is not expected that the costs of complying with environmental regulation will have a material adverse effect on Encana’s financial condition or results of operations, no assurance can be made that the costs of complying with environmental regulation in the future will not have such an effect.

A number of federal, provincial and state governments have announced intentions to regulate greenhouse gases and certain air pollutants. These governments are currently developing the regulatory and policy frameworks to deliver on their announcements. In most cases there are few technical details regarding the implementation and coordination of these plans to regulate emissions. However, the Canadian federal government has announced that it will align greenhouse gas emission reduction targets with the U.S. The Canadian federal government has taken a sector-specific approach, and while progress has been made working with industry and the provinces on the development of oil and gas sector-specific regulations, the Federal government has not committed to a definitive timeline for the implementation or release of legislation. As it remains unclear what approach the U.S. federal government will take, or when, it is also unclear whether the U.S. federal government will implement economy-wide greenhouse gas emission legislation or a sector-specific approach, and what type of compliance mechanisms will be available to certain emitters. Currently, certain provinces and states, including Alberta and British Columbia, have implemented greenhouse gas emission legislation that impacts areas in which the Company operates. It is anticipated that other federal, provincial and state announcements and regulatory frameworks to address emissions will continue to emerge.

Additionally, the U.S. and Canadian federal governments and certain U.S. state and Canadian provincial governments are currently reviewing certain aspects of the scientific, regulatory and policy framework under which hydraulic fracturing operations are conducted. At present, most of these governments are primarily engaged in the collection, review and assessment of technical information regarding the hydraulic fracturing process and have not provided specific details with respect to any significant actual, proposed or contemplated changes to the hydraulic fracturing regulatory construct. However, certain environmental and other groups have suggested that additional federal, provincial, territorial, state and municipal laws and regulations may be needed to more closely regulate the hydraulic fracturing process, and have made claims that hydraulic fracturing techniques are harmful to surface water and drinking water sources. Chemical disclosure requirements have increased in many of the jurisdictions in which the Company operates.

On June 20, 2013, the U.S. Environmental Protection Agency (the “EPA”) announced it has suspended its study of the potential environmental impacts of hydraulic fracturing, including the impacts on drinking water sources and public health, at Encana's Pavillion natural gas field in Wyoming. The agency has stated that the results in its 2011 draft report were inconclusive and it does not plan to finalize, seek peer review of, or rely upon the conclusions of the draft report. Further, no aspects of the draft report will be incorporated into the EPA's larger ongoing national study of hydraulic fracturing. Instead, the EPA will support additional scientific investigation of the Pavillion groundwater being led by the Wyoming Department of Environmental Quality and the Wyoming Oil and Gas Conservation Commission. Any implication of a potential connection between hydraulic fracturing and groundwater quality may potentially subject Encana to regulatory, operational and/or reputation risks.

In the state of Colorado, several cities including Boulder, Longmont, Fort Collins, Lafayette and Broomfield, as well as the County of Boulder, have passed local ordinances limiting or banning certain oil and gas activities, including hydraulic fracturing. These local rule-making initiatives have not significantly impacted the Company’s operations or development plans in the state and are not anticipated to have a negative impact on the Company’s operations in the future. On January 21, 2014, a ballot initiative was filed in the state seeking to transfer the authority to regulate all for-profit companies to local government and specifically stating that local ordinances pre-empt all international, federal and state laws, except for individual fundamental rights. Though broad in nature, the ballot initiative is understood to be primarily intended to restrict oil and gas development in the state. This and other possible measures could make certain Colorado jurisdictions inaccessible to drilling in the future. Therefore, it is possible that the Company’s operations in Colorado could be impeded should such initiatives succeed. Encana continues to work with state and local governments, academics and industry leaders to develop and respond to hydraulic fracturing related concerns in Colorado. The Company recognizes that additional hydraulic fracturing ballot initiatives are a possibility and will continue to monitor and respond to these developments in 2014.

Further, certain governments in jurisdictions where the Company does not currently operate have considered a temporary moratorium on hydraulic fracturing until further studies can be completed and some governments have adopted, and others have considered adopting, regulations that could impose more stringent permitting, disclosure and well construction requirements on hydraulic fracturing operations. Any new laws, regulations or permitting requirements regarding hydraulic fracturing could lead to operational delay, increased operating costs or third party or governmental claims, and could increase the Company’s cost of compliance and doing business as well as reduce the amount of natural gas that the Company is ultimately able to produce from its reserves.

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 or curtailment of production in order to comply with legislation governing emissions and hydraulic fracturing.

If Encana fails to acquire or find additional reserves, the Company's reserves and production will decline materially from their current levels.

Encana's future natural gas, oil and NGL reserves and production, and therefore its cash flows, are highly dependent upon its success in exploiting its current reserves base and acquiring, discovering or developing additional reserves. Without reserves additions through exploration, acquisition or development activities, the Company's reserves and production will decline over time as reserves are depleted.

The business of exploring for, developing or acquiring reserves is capital intensive. To the extent cash flows from operations are insufficient and external sources of capital become limited, Encana's ability to make the necessary capital investments to maintain and expand its natural gas, oil and NGL reserves will be impaired. In addition, there can be no certainty that Encana will be able to find and develop or acquire additional reserves to replace production at acceptable costs.

Encana's reserves data and future net revenue estimates are uncertain.

There are numerous uncertainties inherent in estimating quantities of natural gas, oil and NGL reserves, including many factors beyond the Company's control. The reserves data in this Annual Information Form represents estimates only. In general, estimates of economically recoverable natural gas, oil and NGL reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as product prices, future operating and capital costs, availability of future capital, historical production from the properties and the assumed effects of regulation by governmental agencies, including with respect to royalty payments, all of which may vary considerably from actual results. All such estimates are to some degree uncertain, and classifications of reserves are only attempts to define the degree of uncertainty involved.

For those reasons, estimates of the economically recoverable natural gas, oil and NGL reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom, prepared by different engineers or by the same engineers at different times, may vary substantially. Encana's actual production, revenues, taxes and development and operating expenditures with respect to its reserves may vary from such estimates, and such variances could be material.

Estimates with respect to reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves, rather than upon actual production history. Estimates based on these methods generally are less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history will result in variations, which may be material, in the estimated reserves.

Furthermore, estimates with respect to the reserves to be developed and produced in the future are based upon certain expectations and assumptions, including the allocation of capital, which may be subject to change.

Encana is subject to risks associated with joint ventures and partnerships.

Some of Encana's projects are conducted through joint ventures, partnerships or other arrangements, where Encana is dependent on its partners to fund their contractual share of the capital and operating expenditures related to such projects. If these partners do not approve or are unable to fund their contractual share of certain capital or operating expenditures or otherwise fulfill their obligations, this may result in project delays or additional future costs to Encana, all of which may affect the viability of such projects.

These partners may also have strategic plans, objectives and interests that do not coincide with and may conflict with those of Encana. While certain operational decisions may be made solely at the discretion of Encana in its capacity as operator of certain projects, major capital and strategic decisions affecting such projects may require agreement among the partners. While Encana and its partners generally seek consensus with respect to major decisions concerning the direction and operation of the project assets, no assurance can be provided that the future demands or expectations of any party, including Encana, relating to such assets will be met satisfactorily or in a timely manner. Failure to satisfactorily meet such demands or expectations may affect Encana's or its partners' participation in the operation of such assets or the timing for undertaking various activities, which could negatively affect Encana's operations and financial results.

The Company may be unable to dispose of certain assets on attractive terms, and may be required to retain liabilities for certain matters.

The Company has identified certain assets, the disposition of which could increase capital available for other activities or reduce the Company's existing indebtedness. Various factors could materially affect the Company's ability to dispose of those assets or complete announced transactions including current commodity prices, the availability of purchasers willing to purchase certain assets at prices and on terms acceptable to the Company, approval by Encana's Board of Directors, due diligence, favourable market conditions and stock exchange, regulatory and third party approvals.

The Company may also retain certain liabilities for certain matters in a sale transaction. The magnitude of any such retained liabilities or indemnification obligations may be difficult to quantify at the time of the transaction and could ultimately be material. Further, certain third parties may be unwilling to release the Company from guarantees or other credit support provided prior to the sale of the divested assets. As a result, after the sale of certain assets, the Company may remain secondarily liable for the obligations guaranteed or supported to the extent that the purchaser of the assets fails to perform its obligations.

The Company's level of indebtedness may limit its financial flexibility.

As of December 31, 2013, the Company had total long-term debt of $6,124 million, with no outstanding balance under its revolving credit facilities. The terms of the Company's various financing arrangements, including but not limited to the indentures relating to its outstanding senior notes and its revolving credit facilities, impose restrictions on its ability and, in some cases, the ability of the Company's subsidiaries, to take a number of actions that it or they may otherwise desire to take, including (i) incurring additional debt, including guarantees of indebtedness; (ii) creating liens on the Company's or its subsidiaries assets; and (iii) selling certain of the Company's or its subsidiaries' assets.

The Company's level of indebtedness could affect its operations by:

- requiring it to dedicate a portion of cash flows from operations to service its indebtedness, thereby reducing the availability of cash flow for other purposes;
- reducing its competitiveness compared to similar companies that have less debt;
- limiting its ability to obtain additional future financing for working capital, capital investments and acquisitions;
- limiting its flexibility in planning for, or reacting to, changes in its business and industry; and
- increasing its vulnerability to general adverse economic and industry conditions.

The Company's ability to meet its debt obligations and service those debt obligations depends on future performance. General economic conditions, natural gas, oil and NGL prices, and financial, business and other factors affect the Company's operations and future performance. Many of these factors are beyond the Company's control. If the Company is unable to satisfy its obligations with cash on hand, the Company could attempt to refinance debt or repay debt with proceeds from a public offering of securities or selling certain assets. No assurance can be given that the Company will be able to generate sufficient cash flow to pay the interest obligations on its debt, or that funds from future borrowings, equity financings or proceeds from the sale of assets will be available to pay or refinance its debt, or on terms that will be favourable to the Company.

A downgrade in Encana's credit rating could increase its cost of capital and limit its access to capital, suppliers or counterparties.

Rating agencies regularly evaluate the Company, basing their ratings of its long-term and short-term debt on a number of factors. This includes the Company's financial strength as well as factors not entirely within its control, including conditions affecting the oil and gas industry generally and the wider state of the economy. There can be no assurance that one or more of the Company's credit ratings will not be downgraded.

The Company's borrowing costs and ability to raise funds are directly impacted by its credit ratings. Credit ratings may be important to suppliers or counterparties when they seek to engage in certain transactions, including transactions involving over-the-counter derivatives. A credit-rating downgrade could potentially impair the Company's ability to enter into arrangements with suppliers or counterparties, to engage in certain transactions, and could limit the Company's access to private and public credit markets and increase the costs of borrowing under its existing credit facilities. A downgrade could also limit the Company's access to short-term debt markets, increase the cost of borrowing in the short-term and long-term debt markets, and trigger collateralization requirements related to physical and financial derivative liabilities with certain marketing counterparties, facility construction contracts, and pipeline and midstream service providers.

In connection with certain over-the-counter derivatives contracts and other trading agreements, the Company could be required to provide additional collateral or to terminate transactions with certain counterparties in the event of a downgrade of its credit rating. The occurrence of any of the foregoing could adversely affect the Company's ability to execute portions of its business strategy, including hedging, and could have a material adverse effect on its liquidity and capital position.

Encana's risk management activities could result in realized and unrealized losses.

The nature of the Company's operations results in exposure to fluctuations in commodity prices. The Company monitors its exposure to such fluctuations and, where the Company deems it appropriate, utilizes derivative financial instruments and physical delivery contracts to mitigate the potential impact of declines in natural gas and liquids prices.

Under U.S. GAAP, derivative instruments that do not qualify or are not designated as hedges for accounting purposes are fair valued with the resulting changes recognized in current period net earnings. The utilization of derivative financial instruments may therefore introduce significant volatility into the Company's reported net earnings.

The terms of the Company's various hedging agreements may limit the benefit to the Company of commodity price increases. The Company may also suffer financial loss if the Company is unable to produce natural gas, oil or NGLs, or if counterparties to the Company's hedging agreements fail to fulfill their obligations under the hedging agreements.

Encana's operations are subject to the risk of business interruption and casualty losses. Our insurance may not fully protect us against these risks and liabilities.

The Company's business is subject to all of the operating risks normally associated with the exploration for, development of and production of natural gas, oil and NGLs and the operation of midstream facilities. These risks include blowouts, explosions, fire, gaseous leaks, migration of harmful substances and liquid spills, acts of vandalism and terrorism, any of which could cause personal injury, result in damage to, or destruction of, natural gas and oil wells or formations or production facilities and other property, equipment and the environment, as well as interrupt operations.

In addition, all of Encana's operations will be subject to all of the risks normally incident to the transportation, processing, storing and marketing of natural gas, oil, NGLs and other related products, drilling and completion of natural gas and oil wells, and the operation and development of natural gas and oil properties, including encountering unexpected formations or pressures, premature declines of reservoir pressure or productivity, blowouts, equipment failures and other accidents, sour gas releases, uncontrollable flows of natural gas, oil or well fluids, adverse weather conditions, pollution and other environmental risks.

We maintain insurance against some, but not all, of these risks and losses. The occurrence of a significant event against which Encana is not fully insured could have a material adverse effect on the Company's financial position.

Encana does not operate all of its properties and assets.

Other companies operate a portion of the assets in which Encana has ownership interests. Encana will have limited ability to exercise influence over operations of these assets or their associated costs. Encana's dependence on the operator and other working interest owners for these properties and assets, and its limited ability to influence operations and associated costs, could materially adversely affect the Company's financial performance. The success and timing of Encana's activities on assets operated by others therefore will depend upon a number of factors that are outside of the Company's control, including timing and amount of capital expenditures, timing and amount of operating and maintenance expenditures, the operator's expertise and financial resources, approval of other participants, selection of technology, and risk management practices.

Encana is exposed to counterparty risk.

Encana is exposed to the risks associated with counterparty performance including credit risk and performance risk. Encana may experience material financial losses in the event of customer payment default for commodity sales and financial derivative transactions. Encana's liquidity may also be impacted if any lender under the Company's existing credit facilities is unable to fund its commitment. Performance risk can impact Encana's operations by the non-delivery of contracted products or services by counterparties, which could impact project timelines or operational efficiency.

Fluctuations in exchange rates could affect expenses or result in realized and unrealized losses.

Worldwide prices for natural gas and oil are set in U.S. dollars. However, many of the Company's expenses outside of the U.S. are denominated in Canadian dollars. Fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar could impact the Company's expenses and have an adverse effect on the Company's financial performance and condition.

In addition, the Company has significant U.S. dollar denominated long-term debt. Fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar could result in realized and unrealized losses on U.S. dollar denominated long-term debt.

The decision to pay dividends and the amount of such dividends is subject to the discretion of the Company's Board of Directors based on numerous factors and may vary from time to time.

Although the Company currently intends to pay quarterly cash dividends to its shareholders, these cash dividends may be reduced or suspended. The amount of cash available to the Company to pay dividends, if any, can vary significantly from period to period for a number of reasons, including, among other things: Encana's operational and financial performance; fluctuations in the costs to produce natural gas, oil and NGLs; the amount of cash required or retained for debt service or repayment; amounts required to fund capital expenditures and working capital requirements; access to equity markets; foreign currency exchange rates and interest rates; and the risk factors set forth in this Annual Information Form.

The decision whether or not to pay dividends and the amount of any such dividends are subject to the discretion of the Company's Board of Directors, which regularly evaluates the Company's proposed dividend payments and the solvency test requirements of the CBCA. In addition, the level of dividends per common share will be affected by the number of outstanding common shares and other securities that may be entitled to receive cash dividends or other payments. Dividends may be increased, reduced or suspended depending on the Company's operational success and the performance of its assets. The market value of the common shares may deteriorate if the Company is unable to meet dividend expectations in the future, and that deterioration may be material.

The Company is subject to claims, litigation, administrative proceedings and regulatory actions.

Encana may be subject to claims, litigation, administrative proceedings and regulatory actions. The outcome of these matters may be difficult to assess or quantify, and there cannot be any assurance that such matters will be resolved in the Company's favour. If Encana is unable to resolve such matters favourably, the Company or its directors, officers or employees may become involved in legal proceedings that could result in an onerous or unfavourable decision, including fines, sanctions and monetary damages. The defence of such matters may also be costly and time consuming, and could divert the attention of management and key personnel from the Company's operations. Encana may also be subject to adverse publicity associated with such matters, regardless of whether such allegations are valid or whether the Company is ultimately found liable. As a result, such matters could have a material adverse effect on the Company's reputation, financial position, results of operations or liquidity. See also "Legal Proceedings" in this Annual Information Form.

The Company relies on certain key personnel and the ability to attract and retain personnel necessary for its business.

The Company relies on certain key personnel for the development of its business. The experience, knowledge and contributions of the Company's existing management team and directors to the immediate and near-term operations and direction of the Company are likely to continue to be of central importance for the foreseeable future. As such, the loss of services from or retirement of such key personnel could have a material adverse effect on the Company. In addition, the competition for qualified personnel in the oil and gas industry is intense, and there can be no assurance that the Company will be able to continue to attract and retain such personnel necessary for its business.

The Company may be subject to future changes in laws.

Income tax laws, royalty regimes or other laws and regulations may in the future be changed or interpreted in a manner that adversely affects the Company or its securityholders. Tax authorities having jurisdiction over the Company or its shareholders could change their administrative practices, or may disagree with the manner in which the Company calculates its tax liabilities or structures its arrangements, to the detriment of the Company or its securityholders. Changes to existing laws and regulations or the adoption of new laws and regulations could also increase the Company's cost of compliance and adversely affect the Company's business, financial position, cash flows or results of operations.

Encana has certain indemnification obligations to Cenovus Energy Inc.

In relation to the Split Transaction, Encana and Cenovus have each agreed to indemnify the other for certain liabilities and obligations associated with, among other things, in the case of Encana's indemnity, the business and assets retained by Encana, and in the case of Cenovus's indemnity, the business and assets transferred to Cenovus.

Encana cannot determine whether it will be required to indemnify Cenovus for any substantial obligations. Encana also cannot be assured that, if Cenovus is required to indemnify Encana and its affiliates for any substantial obligations, Cenovus will be able to satisfy such obligations. Any indemnification claim against Encana pursuant to the provisions of the Split Transaction agreements could have a material adverse effect upon Encana.

The Company's foreign operations will expose it to risks from abroad which could negatively affect its results of operations.

Some of Encana's operations and related assets may be located, from time to time, in countries outside North America, some of which may be considered to be politically and economically unstable. Exploration or development activities in such countries may require protracted negotiations with host governments, national oil companies and third parties and are frequently subject to economic and political considerations, such as taxation, nationalization, expropriation, inflation, currency fluctuations, increased regulation and approval requirements, governmental regulation and the risk of actions by terrorist or insurgent groups, any of which could adversely affect the economics of exploration or development projects.

Transfer Agents and Registrars

The registrar and transfer agent for the Company's common shares is CST Trust Company:

In Canada:
CST Trust Company
P.O. Box 700, Station B
Montreal, Quebec H3B 3K3

In the United States:
Computershare
480 Washington Blvd.
Jersey City, New Jersey
United States of America 07310

In order to respond to Encana shareholder inquiries, the Company's transfer agent has set-up a dedicated answer line. Shareholder inquiries should be directed to the following:

- Shareholders residing in Canada or the United States, please call 1-866-580-7145
- Shareholders residing outside of North America, please call 1-416-682-3863

Shareholders can also send requests via the transfer agent's web site at:
www.canstockta.com/en/InvestorServices/InvestorInquiryForm.

Interest of Experts

The Company's independent auditors are PricewaterhouseCoopers LLP, Chartered Accountants, who have issued an independent auditor's report dated February 20, 2014 in respect of the Company's Consolidated Financial Statements as at December 31, 2013 and December 31, 2012, and for each of the years in the three year period ended December 31, 2013, and the Company's effectiveness of internal control over financial reporting as at December 31, 2013. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta and the rules of the SEC.

Information relating to reserves in this Annual Information Form was calculated by GLJ Petroleum Consultants Ltd., McDaniel & Associates Consultants Ltd., Netherland, Sewell & Associates, Inc. and DeGolyer and MacNaughton, each of which is an independent qualified reserves evaluator.

The principals of each of GLJ Petroleum Consultants Ltd., McDaniel & Associates Consultants Ltd., Netherland, Sewell & Associates, Inc. and DeGolyer and MacNaughton, in each case, as a group own beneficially, directly or indirectly, less than one percent of any class of Encana's securities.

Additional Information

Additional information relating to Encana is available on SEDAR at www.sedar.com and EDGAR at www.sec.gov.

Additional information, including directors' and officers' remuneration, principal holders of Encana's securities, and options to purchase securities, is contained in the Information Circular for Encana's most recent annual meeting of shareholders that involved the election of directors. Additional financial information is contained in Encana's audited Consolidated Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2013.

Note Regarding Forward-Looking Statements

This Annual Information Form contains certain forward looking statements or information (collectively referred to in this note as “forward looking statements”) within the meaning of applicable securities legislation. Forward looking statements are typically identified by words such as “projected”, “anticipate”, “believe”, “expect”, “plan”, “intend”, “agreed to”, “is to” or similar words suggesting future outcomes or statements regarding an outlook. Forward looking statements in this Annual Information Form include, but are not limited to, statements with respect to: achieving the Company’s focus of developing its strong portfolio of diverse resource plays producing natural gas, oil and NGLs; the realignment of the Company’s business strategy and corporate organizational structure the success thereof; anticipated realignment of certain plays to complement the Company’s capital allocation strategy; the Company’s expectation that there will be no significant changes in reportable segments as a result of the new business strategy; anticipated future proceeds from various joint venture, partnership and other agreements entered into by the Company, including the successful implementation of and other expected benefits to be generated from those agreements; the Company’s plans to transfer its royalty business into a separate company and subsequently divest a portion of its interest in the new company through an IPO, including the expected future activities of the new company following the transaction, the anticipated benefits of the transaction to Encana and its shareholders, Encana's expected ownership level in the new company, that applicable approvals will be obtained and the timing and success of such offering; the Company’s commitment to growing long-term shareholder value through a disciplined focus on generating profitable growth; the Company’s plan to maximize profitability through disciplined capital allocation and improved capital and operating efficiency; maintaining a balanced and flexible portfolio; anticipated cost reductions and the ability to preserve balance sheet strength; anticipated cash flow; anticipated access to capital markets and ability to meet financial obligations and finance growth; the success of implementing the resource play hub strategy across certain plays; expected accelerated development in certain of the high return assets; optimizing the Company’s base production; anticipated drilling and number of drilling rigs and the success thereof and anticipated production from wells and the product composition of such production; anticipated oil, natural gas and NGLs prices; expectation for risk management contracts to mitigate market risk associated with future cash flows; estimated reserves and resources; availability of large inventory of internal growth opportunities; anticipated dividends; potential future discounts to market price in connection with the Company’s DRIP; the level of expenditures for compliance with environmental legislation and regulations, including estimates of potential costs of carbon, operating costs, site restoration costs including abandonment and reclamation costs; maintaining satisfactory credit ratings; pending and potential litigation and having adequate provision for the same; and expectation to expand the natural gas markets in North America.

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 assumptions, risks and uncertainties include, among other things: volatility of, and assumptions regarding natural gas and liquids prices, including substantial or extended decline of the same and their adverse effect on the Company’s operations and financial condition and the value and amount of its reserves; assumptions based upon the Company’s current guidance; fluctuations in currency and interest rates; risk that the Company may not conclude divestitures of certain assets or other transactions or receive amounts contemplated under the transaction agreements (such transactions may include third-party capital investments, farm-outs or partnerships, which Encana may refer to from time to time as “partnerships” or “joint ventures” and the funds received in respect thereof which Encana may refer to from time to time as “proceeds”, “deferred purchase price” and/or “carry capital”, regardless of the legal form) as a result of various conditions not being met; 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 natural gas and liquids from resource plays and other sources not currently classified as proved, probable or possible reserves or economic contingent resources, including future net revenue estimates; marketing margins; potential disruption or unexpected technical difficulties in developing new facilities; unexpected cost increases or technical difficulties in constructing or modifying processing facilities; risks associated with technology; the Company’s ability to acquire or find additional reserves; hedging activities resulting in realized and unrealized losses; business interruption and casualty losses; risk of the Company not operating all of its properties and assets; counterparty risk; downgrade in credit rating and its adverse effects;

liability for indemnification obligations to third parties; variability of dividends to be paid; 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, greenhouse gas, carbon, accounting 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; terrorist threats; risks associated with existing and potential future lawsuits and regulatory actions made against the Company; risk arising from price basis differential; risk arising from inability to enter into attractive hedges to protect the Company's capital program; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by Encana. Without limiting the generality of the foregoing, there can be no assurance that Encana will ultimately conduct an IPO or, if a new company is created, the final particulars thereof, including without limitation, the number, value or location of the fee simple mineral title lands and associated royalty interests that would be proposed to be transferred to a new company, the size of the retained interest that Encana would hold initially or in the future in the new company, and other arrangements that would be proposed or exist as between Encana and the new company. Encana's determination to create a new company is subject to a number of risks and uncertainties, including without limitation, those relating to approval by Encana's Board of Directors, due diligence, favourable market conditions and stock exchange, regulatory and third party approvals. 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. In addition, assumptions relating to such forward-looking statements generally include Encana's current expectations and projections made in light of, and generally consistent with, its historical experience and its perception of historical trends, including the conversion of resources into reserves and production as well as expectations regarding rates of advancement and innovation, generally consistent with and informed by its past experience, all of which are subject to the risk factors identified elsewhere in this Annual Information Form.

Assumptions with respect to forward-looking information regarding expanding Encana's oil and NGL production and extraction volumes are based on existing expansion of natural gas processing facilities in areas where Encana operates and the continued expansion and development of oil and NGL production from existing properties within its asset portfolio.

Furthermore, the forward looking statements contained in this Annual Information Form are made as of the date hereof and, except as required by law, Encana undertakes no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events or otherwise. The forward looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement.

Note Regarding Reserves Data and Other Oil and Gas Information

National Instrument 51-101 of the Canadian Securities Administrators imposes oil and gas disclosure standards for Canadian public companies engaged in oil and gas activities. The Canadian protocol disclosure is contained in ***Appendix A*** and under "Narrative Description of the Business". Encana obtained an exemption dated January 4, 2011 from certain requirements of NI 51-101 to permit it to provide certain disclosure prepared in accordance with U.S. disclosure requirements, in addition to the Canadian protocol disclosure. That disclosure is primarily set forth in ***Appendix D***.

See "Reserves and Other Oil and Gas Information" in this Annual Information Form for a description of the primary differences between the disclosure requirements under the Canadian standards and the disclosure requirements under the U.S. standards.

All production information contained in the narrative portions of this Annual Information Form is on a net basis (after royalties), unless otherwise indicated. Certain terms in this Annual Information Form relating to oil and gas reserves and operating activities have the meaning assigned to them in NI 51-101 or are otherwise defined in this Annual Information Form.

Appendix A - Canadian Protocol Disclosure of Reserves Data and Other Oil and Gas Information

In this Appendix, Encana provides disclosure of its reserves and oil and gas information in accordance with the requirements of NI 51-101. See "Note Regarding Reserves Data and Other Oil and Gas Information". The reserves and other oil and gas information set forth below has an effective date of December 31, 2013 and was prepared as of February 11, 2014.

Since inception, Encana has retained IQREs to evaluate and prepare reports on 100 percent of Encana's natural gas, oil and NGL reserves annually. For further information regarding the reserves process, see "Reserves and Other Oil and Gas Information" in this Annual Information Form.

The reserves data summarizes the estimated natural gas, oil and NGL reserves of Encana and the net present values of future net revenues for these reserves using forecast prices and costs, as evaluated by Encana's IQREs. The evaluations were prepared in accordance with procedures and standards contained in the Canadian Oil and Gas Evaluation ("COGE") Handbook. The reserves definitions used are those contained in the COGE Handbook and NI 51-101.

The results of the evaluations are summarized in the tables that follow in this Appendix. All evaluations of future net revenue are after the deduction of future income tax expenses (unless otherwise noted), royalties, development costs, production costs and well abandonment costs, but before the consideration of some indirect costs and certain abandonment and reclamation costs. The estimated future net revenue does not necessarily represent the fair market value of Encana's reserves. There is no assurance that the forecast price and cost assumptions used in preparing the evaluations will be attained and variances could be material. The reserves estimates provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. The actual reserves on Encana's properties may be greater or less than those calculated.

For further information regarding the reserves process see "Reserves and Other Oil and Gas Information" in this Annual Information Form.

The following product types are referred to in the tables in this Appendix:

- **Coalbed Methane**, which includes coalbed methane commingled with shallow gas sands, related to the Clearwater resource play in the Canadian Division.

- **Shale Gas**, which includes Horn River and Duvernay shale gas in the Canadian Division and Haynesville shale gas in the USA Division.

- **Other**, which includes natural gas other than coalbed methane and shale gas. Reserves and production include the following resource plays: Cutbank Ridge, Bighorn, Peace River Arch and Greater Sierra (excluding Horn River shale) in the Canadian Division; and Piceance, Jonah and Texas in the USA Division.

- **Oil and NGLs**, which includes NGLs plus light and medium oil, of which light and medium oil is not material.

Reserves Data (Canadian Protocol)

Summary of Oil and Gas Reserves [1]
(Forecast Prices and Costs; Before and After Royalties)

As at December 31, 2013

Canadian Division

	Natural Gas (Bcf)								Oil & NGLs (MMbbls)	
	Coalbed Methane		Shale Gas		Other		Total			
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Proved										
Developed producing	646	657	299	277	2,150	1,905	3,095	2,839	65.8	59.6
Developed non-producing	73	64	1	1	85	75	159	140	3.4	2.8
Undeveloped	122	83	87	80	1,568	1,408	1,777	1,571	71.9	59.8
Total Proved	841	804	387	358	3,803	3,388	5,031	4,550	141.1	122.2
Probable	156	151	203	176	1,997	1,761	2,356	2,088	92.4	73.5
Total Proved Plus Probable	**997**	**955**	**590**	**534**	**5,800**	**5,149**	**7,387**	**6,638**	**233.5**	**195.7**

USA Division

	Natural Gas (Bcf)								Oil & NGLs (MMbbls)	
	Coalbed Methane		Shale Gas		Other		Total			
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Proved										
Developed producing	-	-	533	425	2,497	2,096	3,030	2,521	54.4	45.0
Developed non-producing	-	-	1	1	243	195	244	196	13.5	11.3
Undeveloped	-	-	559	444	1,054	865	1,613	1,309	68.3	56.4
Total Proved	-	-	1,093	870	3,794	3,156	4,887	4,026	136.2	112.7
Probable	-	-	998	800	1,283	1,087	2,281	1,887	68.1	57.9
Total Proved Plus Probable	**-**	**-**	**2,091**	**1,670**	**5,077**	**4,243**	**7,168**	**5,913**	**204.3**	**170.6**

Total Encana

	Natural Gas (Bcf)								Oil & NGLs (MMbbls)	
	Coalbed Methane		Shale Gas		Other		Total			
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Proved										
Developed producing	646	657	832	702	4,647	4,001	6,125	5,360	120.2	104.6
Developed non-producing	73	64	2	2	328	270	403	336	16.9	14.1
Undeveloped	122	83	646	524	2,622	2,273	3,390	2,880	140.2	116.2
Total Proved	841	804	1,480	1,228	7,597	6,544	9,918	8,576	277.3	234.9
Probable	156	151	1,201	976	3,280	2,848	4,637	3,975	160.5	131.4
Total Proved Plus Probable	**997**	**955**	**2,681**	**2,204**	**10,877**	**9,392**	**14,555**	**12,551**	**437.8**	**366.3**

Notes:
(1) Definitions

a) "Gross" reserves are Encana's working interest share before the deduction of estimated royalty obligations and excluding any royalty interests.
b) "Net" reserves are Encana's working interest share after deduction of estimated royalty obligations and including Encana's royalty interests.
c) "Reserves" are the estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on: analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable.
d) "Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
e) "Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater than or less than the sum of the estimated proved plus probable reserves.
f) "Developed producing" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
g) "Developed non-producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.
h) "Undeveloped" reserves are those reserves that are expected to be recovered from known accumulations where a significant expenditure (i.e., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable) to which they are assigned.

Summary of Net Present Value of Future Net Revenue
(Forecast Prices and Costs; Before Tax)

As at December 31, 2013

Canadian Division

($ millions)	Future Net Revenue Before Future Income Tax and Discounted at 0%	5%	10%	15%	20%
Proved					
Developed producing	9,600	7,479	6,205	5,363	4,761
Developed non-producing	435	313	244	200	170
Undeveloped	5,571	3,433	2,272	1,572	1,119
Total Proved	15,606	11,225	8,721	7,135	6,050
Probable	9,985	5,543	3,586	2,550	1,929
Total Proved Plus Probable	**25,591**	**16,768**	**12,307**	**9,685**	**7,979**

USA Division

($ millions)	Future Net Revenue Before Future Income Tax and Discounted at 0%	5%	10%	15%	20%
Proved					
Developed producing	8,821	6,678	5,376	4,521	3,924
Developed non-producing	1,116	734	537	422	349
Undeveloped	5,355	3,271	2,154	1,491	1,067
Total Proved	15,292	10,683	8,067	6,434	5,340
Probable	7,172	3,852	2,265	1,410	911
Total Proved Plus Probable	**22,464**	**14,535**	**10,332**	**7,844**	**6,251**

Total Encana

($ millions)	Future Net Revenue Before Future Income Tax and Discounted at 0%	5%	10%	15%	20%
Proved					
Developed producing	18,421	14,157	11,581	9,884	8,685
Developed non-producing	1,551	1,047	781	622	519
Undeveloped	10,926	6,704	4,426	3,063	2,186
Total Proved	30,898	21,908	16,788	13,569	11,390
Probable	17,157	9,395	5,851	3,960	2,840
Total Proved Plus Probable	**48,055**	**31,303**	**22,639**	**17,529**	**14,230**

Summary of Net Present Value of Future Net Revenue
(Forecast Prices and Costs; After Tax)

As at December 31, 2013

Canadian Division

	Future Net Revenue After Future Income Tax and Discounted at				
($ millions)	0%	5%	10%	15%	20%
Proved					
Developed producing	8,333	6,605	5,549	4,841	4,330
Developed non-producing	333	238	185	151	128
Undeveloped	4,242	2,554	1,634	1,081	724
Total Proved	12,908	9,397	7,368	6,073	5,182
Probable	7,480	4,106	2,620	1,836	1,370
Total Proved Plus Probable	**20,388**	**13,503**	**9,988**	**7,909**	**6,552**

USA Division

	Future Net Revenue After Future Income Tax and Discounted at				
($ millions)	0%	5%	10%	15%	20%
Proved					
Developed producing	7,177	5,554	4,536	3,850	3,362
Developed non-producing	712	469	343	270	223
Undeveloped	3,416	2,087	1,375	953	684
Total Proved	11,305	8,110	6,254	5,073	4,269
Probable	4,570	2,459	1,448	904	585
Total Proved Plus Probable	**15,875**	**10,569**	**7,702**	**5,977**	**4,854**

Total Encana

	Future Net Revenue After Future Income Tax and Discounted at				
($ millions)	0%	5%	10%	15%	20%
Proved					
Developed producing	15,510	12,159	10,085	8,691	7,692
Developed non-producing	1,045	707	528	421	351
Undeveloped	7,658	4,641	3,009	2,034	1,408
Total Proved	24,213	17,507	13,622	11,146	9,451
Probable	12,050	6,565	4,068	2,740	1,955
Total Proved Plus Probable	**36,263**	**24,072**	**17,690**	**13,886**	**11,406**

Additional Information Concerning Future Net Revenue
(Forecast Prices and Costs; Undiscounted)

As at December 31, 2013

	Canadian Division		USA Division		Total	
($ millions)	Proved	Proved Plus Probable	Proved	Proved Plus Probable	Proved	Proved Plus Probable
Revenues	35,525	56,737	33,477	50,657	69,002	107,394
Royalties and production / mineral taxes	4,427	7,520	7,950	11,891	12,377	19,411
Operating costs	10,822	16,829	6,144	8,207	16,966	25,036
Development costs	3,925	5,979	3,311	7,175	7,236	13,154
Abandonment costs	745	818	780	920	1,525	1,738
Future net revenue, before income taxes	15,606	25,591	15,292	22,464	30,898	48,055
Income tax	2,698	5,203	3,987	6,589	6,685	11,792
Future Net Revenue, After Income Taxes	**12,908**	**20,388**	**11,305**	**15,875**	**24,213**	**36,263**

Future Net Revenue by Production Group
(Forecast Prices and Costs)

As at December 31, 2013

	Natural Gas				Total	
	Coalbed Methane and Shale Gas [1]		Associated and Non-associated Gas [2]			
(discounted at 10%/yr, $ millions)	Proved	Proved Plus Probable	Proved	Proved Plus Probable	Proved	Proved Plus Probable
Future Net Revenue Before Income Taxes	3,391	5,222	13,397	17,417	16,788	22,639
Unit Value ($/Mcf) [3]	1.67	1.65	2.05	1.85	1.96	1.80

Notes:
(1) Includes by-products.
(2) Including by-products as well as future net revenue from oil (including solution gas and other by-products) which is not material.
(3) Unit values are based on net natural gas reserves volumes.

Pricing Assumptions (Forecast Prices)

The following pricing and exchange rate assumptions were utilized by the independent qualified reserves evaluators in estimating Encana's reserves data using forecast prices and costs. These assumptions were provided by Encana, based on GLJ Petroleum Consultants Ltd. commodity price forecasts effective January 1, 2014.

	Natural Gas		Oil & NGLs		Foreign Exchange Rate (2)	Inflation Rate (3)
Year	Henry Hub ($/MMBtu)	AECO (C$/MMBtu)	WTI ($/bbl)	Edmonton (1) (C$/bbl)	US$/C$	%/yr
2013 (4,5)	3.65	3.17	97.97	93.11	0.971	1.0
2014	4.25	4.03	97.50	92.76	0.950	2.0
2015	4.50	4.26	97.50	97.37	0.950	2.0
2016	4.75	4.50	97.50	100.00	0.950	2.0
2017	5.00	4.74	97.50	100.00	0.950	2.0
2018	5.25	4.97	97.50	100.00	0.950	2.0
2019-2023	5.50-5.97	5.21-5.66	97.50-104.57	100.00-106.93	0.950	2.0
Thereafter	+2%/yr	+2%/yr	+2%/yr	+2%/yr	0.950	2.0

Notes:

(1) Light Sweet.
(2) The exchange rates used to generate the Canadian benchmark reference prices in this table.
(3) Default cost inflation rate. Abnormal inflationary situations in certain regions are handled individually by directly increasing the cost estimates for the years affected.
(4) Actual weighted average historical prices for 2013.
(5) Encana's weighted average prices before royalties for 2013 excluding the impact of realized hedging were $3.59/Mcf for natural gas and $67.54/bbl for oil & NGLs.

Reconciliation of Changes in Reserves (Before Royalties)

The following tables provide a reconciliation of Encana's gross reserves of natural gas, oil and NGLs for the year ended December 31, 2013, presented using forecast prices and costs.

Proved Reserves
(Forecast Prices and Costs; Before Royalties)

Canadian Division

	Natural Gas (Bcf)				**Oil & NGLs** (MMbbls)	**Total** (Bcfe)
	Coalbed Methane	Shale Gas	Other	Total		
December 31, 2012	1,462	897	4,371	6,730	126.3	7,488
Extensions and improved recovery	10	53	470	533	33.8	736
Technical revisions	(428)	(494)	(160)	(1,082)	(9.1)	(1,136)
Discoveries	-	9	23	32	3.2	51
Acquisitions	-	-	-	-	-	-
Dispositions	-	-	(514)	(514)	(3.2)	(533)
Economic factors	(76)	(40)	(5)	(121)	(0.1)	(122)
Production	(127)	(38)	(382)	(547)	(9.8)	(606)
December 31, 2013	**841**	**387**	**3,803**	**5,031**	**141.1**	**5,878**

USA Division

	Natural Gas (Bcf)				**Oil & NGLs** (MMbbls)	**Total** (Bcfe)
	Coalbed Methane	Shale Gas	Other	Total		
December 31, 2012	-	2,741	3,919	6,660	156.2	7,597
Extensions and improved recovery	-	84	212	296	23.5	437
Technical revisions	-	(1,558)	134	(1,424)	(32.4)	(1,619)
Discoveries	-	-	-	-	-	-
Acquisitions	-	-	10	10	0.8	15
Dispositions	-	-	(2)	(2)	(0.1)	(2)
Economic factors	-	(8)	(38)	(46)	(1.3)	(54)
Production	-	(166)	(441)	(607)	(10.5)	(670)
December 31, 2013	-	**1,093**	**3,794**	**4,887**	**136.2**	**5,704**

Total Encana

	Natural Gas (Bcf)				**Oil & NGLs** (MMbbls)	**Total** (Bcfe)
	Coalbed Methane	Shale Gas	Other	Total		
December 31, 2012	1,462	3,638	8,290	13,390	282.5	15,085
Extensions and improved recovery	10	137	682	829	57.3	1,173
Technical revisions	(428)	(2,052)	(26)	(2,506)	(41.5)	(2,755)
Discoveries	-	9	23	32	3.2	51
Acquisitions	-	-	10	10	0.8	15
Dispositions	-	-	(516)	(516)	(3.3)	(535)
Economic factors	(76)	(48)	(43)	(167)	(1.4)	(176)
Production	(127)	(204)	(823)	(1,154)	(20.3)	(1,276)
December 31, 2013	**841**	**1,480**	**7,597**	**9,918**	**277.3**	**11,582**

Probable Reserves
(Forecast Prices and Costs; Before Royalties)

Canadian Division

	Natural Gas (Bcf)				Oil & NGLs (MMbbls)	Total (Bcfe)
	Coalbed Methane	Shale Gas	Other	Total		
December 31, 2012	294	676	2,175	3,145	70.6	3,568
Extensions and improved recovery	3	80	157	240	21.6	370
Technical revisions	(218)	(454)	14	(658)	2.6	(643)
Discoveries	-	(1)	(11)	(12)	(0.7)	(16)
Acquisitions	-	-	-	-	-	-
Dispositions	-	(138)	(307)	(445)	(1.6)	(455)
Economic factors	77	40	(31)	86	(0.1)	86
Production	-	-	-	-	-	-
December 31, 2013	**156**	**203**	**1,997**	**2,356**	**92.4**	**2,910**

USA Division

	Natural Gas (Bcf)				Oil & NGLs (MMbbls)	Total (Bcfe)
	Coalbed Methane	Shale Gas	Other	Total		
December 31, 2012	-	2,690	1,993	4,683	145.4	5,556
Extensions and improved recovery	-	120	497	617	26.4	775
Technical revisions	-	(1,811)	(1,079)	(2,890)	(57.8)	(3,236)
Discoveries	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-
Economic factors	-	(1)	(128)	(129)	(45.9)	(405)
Production	-	-	-	-	-	-
December 31, 2013	**-**	**998**	**1,283**	**2,281**	**68.1**	**2,690**

Total Encana

	Natural Gas (Bcf)				Oil & NGLs (MMbbls)	Total (Bcfe)
	Coalbed Methane	Shale Gas	Other	Total		
December 31, 2012	294	3,366	4,168	7,828	216.0	9,124
Extensions and improved recovery	3	200	654	857	48.0	1,145
Technical revisions	(218)	(2,265)	(1,065)	(3,548)	(55.2)	(3,879)
Discoveries	-	(1)	(11)	(12)	(0.7)	(16)
Acquisitions	-	-	-	-	-	-
Dispositions	-	(138)	(307)	(445)	(1.6)	(455)
Economic factors	77	39	(159)	(43)	(46.0)	(319)
Production	-	-	-	-	-	-
December 31, 2013	**156**	**1,201**	**3,280**	**4,637**	**160.5**	**5,600**

Proved Plus Probable Reserves
(Forecast Prices and Costs; Before Royalties)

Canadian Division

	Natural Gas (Bcf)				**Oil & NGLs** (MMbbls)	**Total** (Bcfe)
	Coalbed Methane	Shale Gas	Other	Total		
December 31, 2012	1,756	1,573	6,546	9,875	196.9	11,056
Extensions and improved recovery	13	133	627	773	55.4	1,106
Technical revisions	(646)	(948)	(146)	(1,740)	(6.5)	(1,779)
Discoveries	-	8	12	20	2.5	35
Acquisitions	-	-	-	-	-	-
Dispositions	-	(138)	(821)	(959)	(4.8)	(988)
Economic factors	1	-	(36)	(35)	(0.2)	(36)
Production	(127)	(38)	(382)	(547)	(9.8)	(606)
December 31, 2013	**997**	**590**	**5,800**	**7,387**	**233.5**	**8,788**

USA Division

	Natural Gas (Bcf)				**Oil & NGLs** (MMbbls)	**Total** (Bcfe)
	Coalbed Methane	Shale Gas	Other	Total		
December 31, 2012	-	5,431	5,912	11,343	301.6	13,153
Extensions and improved recovery	-	204	709	913	49.9	1,212
Technical revisions	-	(3,369)	(945)	(4,314)	(90.2)	(4,855)
Discoveries	-	-	-	-	-	-
Acquisitions	-	-	10	10	0.8	15
Dispositions	-	-	(2)	(2)	(0.1)	(2)
Economic factors	-	(9)	(166)	(175)	(47.2)	(459)
Production	-	(166)	(441)	(607)	(10.5)	(670)
December 31, 2013	**-**	**2,091**	**5,077**	**7,168**	**204.3**	**8,394**

Total Encana

	Natural Gas (Bcf)				**Oil & NGLs** (MMbbls)	**Total** (Bcfe)
	Coalbed Methane	Shale Gas	Other	Total		
December 31, 2012	1,756	7,004	12,458	21,218	498.5	24,209
Extensions and improved recovery	13	337	1,336	1,686	105.3	2,318
Technical revisions	(646)	(4,317)	(1,091)	(6,054)	(96.7)	(6,634)
Discoveries	-	8	12	20	2.5	35
Acquisitions	-	-	10	10	0.8	15
Dispositions	-	(138)	(823)	(961)	(4.9)	(990)
Economic factors	1	(9)	(202)	(210)	(47.4)	(495)
Production	(127)	(204)	(823)	(1,154)	(20.3)	(1,276)
December 31, 2013	**997**	**2,681**	**10,877**	**14,555**	**437.8**	**17,182**

Undeveloped Reserves, Significant Factors or Uncertainties and Future Development Costs

Undeveloped Reserves

Proved and probable undeveloped reserves are attributed where warranted on the basis of economics, technical merit, commercial considerations and development plans. These development opportunities are being pursued at a pace dependent on capital availability and allocation. As a result, development is scheduled beyond the next two years. All of the proved and probable undeveloped reserves at December 31, 2013 are scheduled for development within the next five and eight years, respectively. Proved and probable undeveloped reserves are reviewed annually for retention or reclassification if development has not proceeded as previously planned.

The following table discloses, for each product type, the volumes of proved undeveloped reserves that were first attributed in each of the three most recent financial years and, in the aggregate, before that time.

Proved Undeveloped Reserves

	Natural Gas (Bcf)								**Oil & NGLs** (MMbbls)	
	Coalbed Methane		**Shale Gas**		**Other**		**Total**			
	First Attributed	Total at Year End	First Attributed	Total at Year End	First Attributed	Total at Year End	First Attributed	Total at Year End	First Attributed	Total at Year End
Prior	688	688	2,808	2,808	4,449	4,449	7,945	7.945	53.8	53.8
2011	73	651	657	2,981	914	3,942	1,644	7,574	21.8	81.8
2012	112	540	286	2,666	906	2,881	1,304	6,087	74.4	170.7
2013	-	122	137	646	823	2,622	960	3,390	63.5	140.2

The following table discloses, for each product type, the volumes of probable undeveloped reserves that were first attributed in each of the three most recent financial years and, in the aggregate, before that time.

Probable Undeveloped Reserves

	Natural Gas (Bcf)								**Oil & NGLs** (MMbbls)	
	Coalbed Methane		**Shale Gas**		**Other**		**Total**			
	First Attributed	Total at Year End	First Attributed	Total at Year End	First Attributed	Total at Year End	First Attributed	Total at Year End	First Attributed	Total at Year End
Prior	290	290	3,889	3,889	4,901	4,901	9,080	9,080	42.6	42.6
2011	36	232	2,017	3,880	1,176	4,085	3,229	8,197	15.5	52.7
2012	11	137	1,505	3,210	1,600	3,417	3,116	6,764	133.6	195.3
2013	-	11	923	1,054	1,020	2,580	1,943	3,645	82.2	134.9

Significant Factors or Uncertainties

The development schedule of our undeveloped reserves is based on forecast price assumptions for the determination of economic projects. The actual prices that occur may be significantly lower or higher resulting in some projects being delayed or accelerated, as the case may be. For further information see “Risk Factors” in this Annual Information Form.

Our reserves can be affected significantly by fluctuations in product pricing, capital expenditures, operating costs, royalty regimes and well performance.

Future Development Costs

The table below summarizes Encana’s development costs deducted in the estimation of future net revenue attributable to proved reserves and proved plus probable reserves, using undiscounted forecast prices and costs.

	Canadian Division		**USA Division**		**Total Encana**	
($ millions)	Proved	Proved Plus Probable	Proved	Proved Plus Probable	Proved	Proved Plus Probable
2014	761	868	373	441	1,134	1,309
2015	888	1,142	575	783	1,463	1,925
2016	681	989	574	871	1,255	1,860
2017	766	1,017	853	1,213	1,619	2,230
2018	473	729	772	1,111	1,245	1,840
Remainder	356	1,233	164	2,757	520	3,990
Total	**3,925**	**5,978**	**3,311**	**7,176**	**7,236**	**13,154**

Future development costs are associated with reserves as evaluated by the IQREs and do not necessarily represent Encana’s exploration and development budget. Encana expects to fund its future development costs with future cash flows, available cash balances, divestitures, joint ventures, or a combination of these. In addition, the Company currently has available capacity on its credit facilities and debt shelf prospectus.

Abandonment, Tax and Costs Incurred

Abandonment and Reclamation Costs

Encana expects to incur abandonment and site reclamation costs as existing oil and gas properties are abandoned and reclaimed. The asset retirement obligation is estimated by discounting the expected future cash flows of the settlement. The discounted cash flows are based on estimates of reserve lives, retirement costs, discount rates and future inflation rates. In 2013, expenditures for normal compliance with environmental regulations as well as expenditures beyond normal compliance were not material. Encana's current estimate of the total undiscounted future abandonment and reclamation costs to be incurred is approximately $4.3 billion ($550 million discounted at 10 percent). As at December 31, 2013, Encana has recorded an asset retirement obligation of $966 million. These estimates include the abandonment of 21,882 net wells. Over the next three years, Encana's net well abandonment and reclamation cost is expected to total $199 million ($173 million discounted at 10 percent).

For the purposes of the reserves evaluations prepared by the IQREs, costs deducted as abandonment costs in estimating future net revenue do not include reclamation costs or abandonment costs of facilities and wells without reserves.

Tax Horizon

The Company currently estimates that it will pay income tax of less than $50 million in 2014; however, the current tax forecast may be revised for changes in factors including the outlook for commodity prices, production and the expectations for capital investments, including acquisition or disposition transactions.

2013 Costs Incurred

($ millions)	Canadian Division	USA Division	Total
Acquisitions			
Unproved	26	111	137
Proved	2	45	47
Total acquisitions	28	156	184
Exploration costs	22	412	434
Development costs	1,343	871	2,214
Total costs incurred	**1,393**	**1,439**	**2,832**

Location of Oil and Gas Wells

The following table summarizes Encana's interests in natural gas or oil wells which are producing, or the Company considers capable of production, as at December 31, 2013.

For additional information on the location of Encana's properties, plants, facilities and installations, refer to "Narrative Description of the Business" in this Annual Information Form.

	Producing Gas		Producing Oil		Total Producing (1,2)		Non-Producing Gas		Non-Producing Oil		Total Non- Producing (3)	
(number of wells)	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	13,230	12,170	233	191	13,463	12,361	1,344	1,093	301	258	1,645	1,351
British Columbia	866	736	-	-	866	736	158	121	3	-	161	121
Nova Scotia	4	4	-	-	4	4	-	-	-	-	-	-
Total Canadian Division	**14,100**	**12,910**	**233**	**191**	**14,333**	**13,101**	**1,502**	**1,214**	**304**	**258**	**1,806**	**1,472**
Colorado	5,164	3,987	2	1	5,166	3,988	490	357	-	-	490	357
Kansas	-	-	2	2	2	2	-	-	-	-	-	-
Louisiana	552	269	5	4	557	273	12	5	-	-	12	5
Michigan	6	6	-	-	6	6	4	4	-	-	4	4
Mississippi	-	-	13	10	13	10	-	-	-	-	-	-
Montana	-	-	-	-	-	-	1	1	-	-	1	1
North Dakota	2	-	1	-	3	-	-	-	-	-	-	-
New Mexico	162	57	136	119	298	176	4	-	5	4	9	4
Oklahoma	-	-	6	6	6	6	-	-	1	1	1	1
Texas	193	150	17	15	210	165	-	-	-	-	-	-
Utah	4	2	4	1	8	3	-	-	-	-	-	-
Wyoming	2,024	1,556	7	7	2,031	1,563	93	70	-	-	93	70
Total USA Division	**8,107**	**6,027**	**193**	**165**	**8,300**	**6,192**	**604**	**437**	**6**	**5**	**610**	**442**
Total Encana	**22,207**	**18,937**	**426**	**356**	**22,633**	**19,293**	**2,106**	**1,651**	**310**	**263**	**2,416**	**1,914**

Notes:

(1) Encana has varying royalty interests in approximately 9,202 natural gas wells and approximately 7,227 oil wells which are producing or capable of producing.

(2) Includes wells containing multiple completions as follows; approximately 28,104 gross natural gas wells (24,715 net wells) and approximately 581 gross oil wells (289 net wells).

(3) "Non-producing" wells refer to wells that are capable of producing oil or natural gas, but which are not producing due to the timing of well completions and/or waiting to be tied in which is anticipated to occur in 2014, or are wells that are temporarily shut-in due to market conditions, but not yet abandoned. All non-producing oil and natural gas wells considered capable of producing are located near existing infrastructure and/or within economic distance of transportation.

Landholdings with No Attributed Reserves

The following table summarizes the gross and net acres with no attributed reserves in which Encana has an interest as at December 31, 2013 and the net acres with no attributed reserves for which we expect our rights to explore, develop and exploit to expire during 2014.

(thousands of acres)	**Gross Acres (1)**	**Net Acres (1)**	**Net Acres Expiring Within One Year**
Canada			
Alberta	4,595	3,823	266
British Columbia	979	627	8
Newfoundland and Labrador	35	2	-
Northwest Territories	45	12	-
Nova Scotia	21	10	-
Total Canada	**5,675**	**4,474**	**274**
United States			
Colorado	808	756	36
Kansas	169	167	13
Louisiana	322	220	45
Michigan	390	390	67
Mississippi	236	220	97
New Mexico	352	197	1
Texas	196	149	14
Wyoming	399	348	13
Other	49	40	-
Total United States	**2,921**	**2,487**	**286**
International			
Australia	104	40	-
Total International	**104**	**40**	**-**
Total	**8,700**	**7,001**	**560**

Note:
(1) Properties with different formations under the same surface area and subject to separate leases have been calculated on an aerial basis, as such gross and net acreage have only been counted once.

Exploration and Development Activities

The following tables summarize Encana's gross participation and net interest in wells drilled for the periods indicated. See "Narrative Description of the Business" in this Annual Information Form, for discussion on Encana's most important current and likely exploration and development activities.

Exploration Wells Drilled [1,2]

	Gas		Oil		Service		Dry and Abandoned		Royalty	Total	
	Gross	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Gross**	**Net**
2013 [3]											
Canadian Division	31	15	1	1	4	2	-	-	21	57	18
USA Division	5	5	43	31	-	-	-	-	-	48	36
Total	**36**	**20**	**44**	**32**	**4**	**2**	**-**	**-**	**21**	**105**	**54**

Notes:

(1) "Gross" wells are the total number of wells in which Encana has an interest.

(2) "Net" wells are the number of wells obtained by aggregating Encana's working interest in each of its gross wells.

(3) At December 31, 2013, Encana was in the process of drilling the following exploratory and development wells: approximately 10 gross wells (9 net wells) in Canada and approximately 63 gross wells (32 net wells) in the United States.

Development Wells Drilled [1,2]

	Gas		Oil		Service		Dry and Abandoned		Royalty	Total	
	Gross	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Gross**	**Net**
2013 [3]											
Canadian Division	329	308	67	66	1	1	-	-	430	827	375
USA Division	437	201	-	-	31	31	-	-	31	499	232
Total	**766**	**509**	**67**	**66**	**32**	**32**	**-**	**-**	**461**	**1,326**	**607**

Notes:

(1) "Gross" wells are the total number of wells in which Encana has an interest.

(2) "Net" wells are the number of wells obtained by aggregating Encana's working interest in each of its gross wells.

(3) At December 31, 2013, Encana was in the process of drilling the following exploratory and development wells: approximately 10 gross wells (9 net wells) in Canada and approximately 63 gross wells (32 net wells) in the U.S.

Production Volumes (Before Royalties)

2014 Production Estimates (Before Royalties)

The following table summarizes the total volume of production estimated for the year ended December 31, 2014, which is reflected in the estimate of gross proved reserves and gross probable reserves disclosed in the tables contained under "Reserves Data (Canadian Protocol)" in this Appendix above.

Canadian Division

	Natural Gas (Bcf)				**Oil & NGLs** (MMbbls)
(annual)	Coalbed Methane	Shale Gas	Other	Total	
Proved	120	41	415	576	15.1
Probable	4	4	23	31	2.3
Total Proved Plus Probable	**124**	**45**	**438**	**607**	**17.4**

USA Division

	Natural Gas (Bcf)				**Oil & NGLs** (MMbbls)
(annual)	Coalbed Methane	Shale Gas	Other	Total	
Proved	-	147	382	529	10.8
Probable	-	4	2	6	0.6
Total Proved Plus Probable	**-**	**151**	**384**	**535**	**11.4**

Total Encana

	Natural Gas (Bcf)				**Oil & NGLs** (MMbbls)
(annual)	Coalbed Methane	Shale Gas	Other	Total	
Proved	120	188	797	1,105	25.9
Probable	4	8	25	37	2.9
Total Proved Plus Probable	**124**	**196**	**822**	**1,142**	**28.8**

2013 Production Volumes by Country
(Before Royalties)

	2013				
(average daily)	Annual	Q4	Q3	Q2	Q1
Coalbed Methane (MMcf/d)					
Canadian Division	374	370	369	371	388
USA Division	-	-	-	-	-
	374	370	369	371	388
Shale Gas (MMcf/d)					
Canadian Division	100	98	105	92	104
USA Division	467	356	452	499	563
	567	454	557	591	667
Other (MMcf/d)					
Canadian Division	1,036	1,149	1,014	984	996
USA Division	1,198	1,151	1,170	1,232	1,239
	2,234	2,300	2,184	2,216	2,235
Total Produced Gas (MMcf/d)					
Canadian Division	1,510	1,617	1,488	1,447	1,488
USA Division	1,665	1,507	1,622	1,731	1,802
	3,175	3,124	3,110	3,178	3,290
Total Oil & NGLs (Mbbls/d)					
Canadian Division	33.9	42.9	36.3	29.1	27.1
USA Division	28.8	33.8	31.0	26.4	24.0
	62.7	76.7	67.3	55.5	51.1

Per-Unit Results (Before Royalties)

The following tables summarize the net per-unit results for Encana for the periods indicated, which exclude the impact of realized hedging.

Netbacks by Country (Before Royalties)

	2013				
	Annual	**Q4**	**Q3**	**Q2**	**Q1**
Coalbed Methane ($/Mcf)					
Canadian Division and Total Encana					
Price, before royalties	3.09	3.08	2.67	3.54	3.07
Royalties	0.32	0.32	0.25	0.37	0.32
Production and mineral taxes	0.03	0.07	0.05	(0.01)	0.03
Transportation and processing	0.55	0.50	0.49	0.55	0.65
Operating	0.97	1.17	0.95	0.83	0.93
	1.22	**1.02**	**0.93**	**1.80**	**1.14**
Shale Gas ($/Mcf)					
Canadian Division					
Price, before royalties	3.05	3.10	2.83	3.38	2.94
Royalties	0.04	0.04	0.03	0.05	0.03
Production and mineral taxes	-	-	-	-	-
Transportation and processing	1.51	1.46	1.59	1.71	1.30
Operating	0.27	0.37	0.15	0.25	0.33
	1.23	1.23	1.06	1.37	1.28
USA Division					
Price, before royalties	3.46	3.45	3.34	3.87	3.21
Royalties	0.71	0.70	0.69	0.78	0.67
Production and mineral taxes	0.02	0.04	0.02	0.01	0.02
Transportation and processing	0.96	1.18	0.99	0.90	0.86
Operating	0.42	0.63	0.44	0.28	0.40
	1.35	0.90	1.20	1.90	1.26
Total Encana					
Price, before royalties	3.39	3.37	3.24	3.79	3.16
Royalties	0.59	0.56	0.57	0.66	0.57
Production and mineral taxes	0.02	0.03	0.02	0.01	0.01
Transportation and processing	1.06	1.24	1.10	1.03	0.92
Operating	0.40	0.57	0.39	0.28	0.39
	1.32	**0.97**	**1.16**	**1.81**	**1.27**
Other ($/Mcf)					
Canadian Division					
Price, before royalties	3.43	3.77	2.94	3.74	3.26
Royalties	0.09	0.12	0.07	0.12	0.05
Production and mineral taxes	-	-	-	-	-
Transportation and processing	1.55	1.66	1.59	1.47	1.45
Operating	0.47	0.37	0.41	0.56	0.56
	1.32	1.62	0.87	1.59	1.20

Netbacks by Country
(Before Royalties)

	2013				
	Annual	**Q4**	**Q3**	**Q2**	**Q1**
Other ($/Mcf)					
USA Division					
Price, before royalties	3.99	3.92	3.82	4.48	3.74
Royalties	0.78	0.74	0.75	0.85	0.79
Production and mineral taxes	0.17	0.17	0.14	0.24	0.13
Transportation and processing	1.28	1.28	1.33	1.23	1.26
Operating	0.61	0.72	0.56	0.58	0.59
	1.15	1.01	1.04	1.58	0.97
Total Encana					
Price, before royalties	3.73	3.84	3.41	4.15	3.52
Royalties	0.46	0.43	0.43	0.53	0.45
Production and mineral taxes	0.09	0.09	0.07	0.13	0.07
Transportation and processing	1.40	1.47	1.45	1.34	1.34
Operating	0.54	0.54	0.49	0.57	0.58
	1.24	**1.31**	**0.97**	**1.58**	**1.08**
Total Produced Gas ($/Mcf)					
Canadian Division					
Price, before royalties	3.32	3.57	2.87	3.66	3.19
Royalties	0.14	0.16	0.11	0.18	0.12
Production and mineral taxes	0.01	0.02	0.01	-	0.01
Transportation and processing	1.30	1.38	1.32	1.25	1.23
Operating	0.58	0.55	0.52	0.61	0.63
	1.29	1.46	0.91	1.62	1.20
USA Division					
Price, before royalties	3.84	3.81	3.69	4.30	3.57
Royalties	0.76	0.73	0.73	0.83	0.75
Production and mineral taxes	0.13	0.14	0.11	0.17	0.09
Transportation and processing	1.19	1.26	1.24	1.13	1.13
Operating	0.56	0.70	0.53	0.49	0.53
	1.20	0.98	1.08	1.68	1.07
Total Encana					
Price, before royalties	3.59	3.69	3.29	4.01	3.40
Royalties	0.47	0.44	0.43	0.54	0.46
Production and mineral taxes	0.07	0.08	0.06	0.09	0.05
Transportation and processing	1.24	1.32	1.28	1.19	1.18
Operating	0.57	0.62	0.52	0.55	0.58
	1.24	**1.23**	**1.00**	**1.64**	**1.13**
Total Oil & NGLs ($/bbl)					
Canadian Division					
Price, before royalties	64.99	63.35	67.46	65.11	64.15
Royalties	6.69	6.95	6.61	6.34	6.75
Production and mineral taxes	0.86	0.55	1.73	0.55	0.51
Transportation and processing	2.59	4.63	2.18	1.37	1.18
Operating	3.19	1.82	3.38	3.36	4.98
	51.66	49.40	53.56	53.49	50.73
USA Division					
Price, before royalties	70.54	69.80	72.88	68.92	70.29
Royalties	13.23	13.22	13.52	12.61	13.57
Production and mineral taxes	3.91	4.12	4.01	3.75	3.65
Transportation and processing	-	-	-	-	-
Operating	5.73	3.35	4.20	6.20	10.68
	47.67	49.11	51.15	46.36	42.39

Netbacks by Country
(Before Royalties)

	2013				
	Annual	**Q4**	**Q3**	**Q2**	**Q1**
Total Oil & NGLs ($/bbl)					
Total Encana					
Price, before royalties	67.54	66.19	69.96	66.92	67.03
Royalties	9.69	9.71	9.80	9.32	9.95
Production and mineral taxes	2.26	2.12	2.78	2.07	1.99
Transportation and processing	1.40	2.59	1.18	0.72	0.62
Operating	4.36	2.49	3.76	4.71	7.65
	49.83	**49.28**	**52.44**	**50.10**	**46.82**

Impact of Realized Hedging on Encana's Netbacks
(Before Royalties)

	2013				
	Annual	**Q4**	**Q3**	**Q2**	**Q1**
Natural Gas ($/Mcf)					
Canadian Division	0.49	0.56	0.74	0.14	0.48
USA Division	0.43	0.58	0.56	0.17	0.43
Total	0.46	0.57	0.65	0.16	0.45
Liquids ($/bbl)					
Canadian Division	0.41	1.46	(2.34)	0.89	1.95
USA Division	0.36	0.93	(2.24)	1.08	2.17
Total	0.39	1.23	(2.29)	0.98	2.05

Appendix B - Report on Reserves Data by Independent Qualified Reserves Evaluators (Canadian Protocol)

To the Board of Directors of Encana Corporation (the "Corporation"):

1. We have evaluated the Corporation's reserves data as at December 31, 2013 prepared in accordance with the requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") of the Canadian Securities Administrators. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2013, estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

   We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with the principles and definitions presented in the COGE Handbook.

4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Corporation evaluated by us for the year ended December 31, 2013, and identifies the respective portions thereof that we have evaluated and reported on to the Corporation's Board of Directors:

Independent Qualified Reserves Evaluator	Preparation Date of Evaluation Report	Location of Reserves	Net Present Value of Future Net Revenue (Before Income Taxes, 10% Discount Rate) (US$millions)
McDaniel & Associates Consultants Ltd.	January 17, 2014	Canada	1,888
GLJ Petroleum Consultants Ltd.	January 21, 2014	Canada	10,419
Netherland, Sewell & Associates, Inc.	January 8, 2014	United States	7,615
DeGolyer and MacNaughton	January 14, 2014	United States	2,717
Total			**22,639**

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied.

6. We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.

7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

(signed) McDaniel & Associates Consultants Ltd.
McDaniel & Associates Consultants Ltd.
Calgary, Alberta, Canada

(signed) GLJ Petroleum Consultants Ltd.
GLJ Petroleum Consultants Ltd.
Calgary, Alberta, Canada

(signed) Netherland, Sewell & Associates, Inc.
Netherland, Sewell & Associates, Inc.
Dallas, Texas, U.S.A.

(signed) DeGolyer and MacNaughton
DeGolyer and MacNaughton
Dallas, Texas, U.S.A.

February 11, 2014

Appendix C - Report of Management and Directors on Reserves Data and Other Information (Canadian Protocol)

Management of Encana Corporation (the "Corporation") is responsible for the preparation and disclosure of information with respect to the Corporation's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2013, estimated using forecast prices and costs, prepared in accordance with the requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") of the Canadian Securities Administrators.

Independent qualified reserves evaluators have evaluated the Corporation's reserves data. The report of the independent qualified reserves evaluators will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Corporation has:

(a) reviewed the Corporation's procedures for providing information to the independent qualified reserves evaluators;

(b) met with the independent qualified reserves evaluators to determine whether any restrictions affected the ability of the independent qualified reserves evaluators to report without reservation; and

(c) reviewed the reserves data with management and the independent qualified reserves evaluators.

The board of directors of the Corporation (the "Board of Directors") has reviewed the Corporation's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has, on the recommendation of the Reserves Committee, approved:

(a) the content and filing with securities regulatory authorities of the reserves data and other oil and gas information prepared in accordance with the requirements of NI 51-101 contained in the Annual Information Form of the Corporation;

(b) the filing of the report of the independent qualified reserves evaluators on the reserves data; and

(c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

(signed) Douglas J. Suttles
Douglas J. Suttles
President & Chief Executive Officer

(signed) David G. Hill
David G. Hill
Executive Vice-President,
Exploration & Business Development

(signed) Clayton H. Woitas
Clayton H. Woitas
Director and Chairman of the Board

(signed) Claire S. Farley
Claire S. Farley
Director and Chair of the Reserves Committee

February 12, 2014

Appendix D - U.S. Protocol Disclosure of Reserves Data and Other Oil and Gas Information

In this Appendix, Encana provides select disclosure of its reserves and other oil and gas information prepared in accordance with U.S. disclosure requirements. See “Note Regarding Reserves Data and Other Oil and Gas Information”.

Since inception, Encana has retained IQREs to evaluate and prepare reports on 100 percent of Encana’s natural gas, oil and NGL reserves annually. For further information regarding the reserves process, see “Reserves and Other Oil and Gas Information” in this Annual Information Form.

The standards of the SEC require that proved reserves be estimated using existing economic conditions (constant pricing). Based on this methodology, Encana’s results have been calculated utilizing the 12-month average historical price for each of the years presented within this Appendix.

Net Proved Reserves (U.S. Protocol)

Natural Gas Reserves

In 2013, Encana’s proved natural gas reserves of approximately 7.9 trillion cubic feet (“Tcf”) decreased 0.9 Tcf from 2012 primarily due to changes in the Company’s development plans and the resulting impact on proved undeveloped reserves bookings. Extensions and discoveries of 1.0 Tcf were comparable with the prior year and split approximately one-half in the U.S. and one-half in Canada.

In 2012, Encana’s proved natural gas reserves of approximately 8.8 Tcf decreased 4.0 Tcf from 2011 primarily due to the impact of lower 12-month average historical prices and dispositions.

In 2011, Encana’s proved natural gas reserves of approximately 12.8 Tcf decreased 0.5 Tcf from 2010, due to dispositions and the impact of lower 12-month average historical prices more than offsetting successful development and delineation activity. Additions excluding the purchase and sale of lands with reserves attributable to them totaled 1.7 Tcf, split approximately one-half in the U.S. and one-half in Canada.

Oil & NGL Reserves

In 2013, Encana’s proved oil and NGL reserves of approximately 220.8 MMbbls increased 10.8 MMbbls from 2012. Extensions and discoveries of 55.8 MMbbls were split approximately one-half in the U.S. and one-half in Canada. Revisions and improved recovery was impacted by a decrease in NGL reserves primarily due to ethane rejection in the U.S. Ethane rejection is where ethane is not recovered from the production stream as NGLs but is instead sold as natural gas.

In 2012, Encana’s proved oil and NGL reserves of approximately 210.0 MMbbls increased 76.8 MMbbls from 2011 primarily due to activities in the U.S., including the impact of renegotiated gathering and processing agreements. The renegotiated agreements result in Encana receiving additional NGL volumes from the Company’s processed gas, which increased oil and NGL reserves and reduced natural gas reserves.

In 2011, Encana’s proved oil and NGL reserves of approximately 133.2 MMbbls increased 40.7 MMbbls from 2010 primarily due to activities in Canada.

Net Proved Reserves [1,2]
(SEC Constant Pricing; After Royalties)

	Natural Gas (Bcf)			Oil & NGLs (MMbbls)		
	Canada	United States	Total	Canada	United States	Total
2011						
Beginning of year	6,117	7,183	13,300	54.3	38.2	92.5
Revisions and improved recovery	3	(204)	(201)	32.3	(0.7)	31.6
Extensions and discoveries	826	1,121	1,947	18.2	5.4	23.6
Purchase of reserves in place	72	23	95	0.2	0.1	0.3
Sale of reserves in place	(158)	(927)	(1,085)	(4.7)	(1.3)	(6.0)
Production	(531)	(685)	(1,216)	(5.3)	(3.5)	(8.8)
End of year	6,329	6,511	12,840	95.0	38.2	133.2
Developed	3,523	3,286	6,809	39.6	24.4	64.0
Undeveloped	2,806	3,225	6,031	55.4	13.8	69.2
Total	**6,329**	**6,511**	**12,840**	**95.0**	**38.2**	**133.2**
2012						
Beginning of year	6,329	6,511	12,840	95.0	38.2	133.2
Revisions and improved recovery [3]	(1,497)	(1,701)	(3,198)	(10.0)	38.9	28.9
Extensions and discoveries	638	338	976	25.9	39.2	65.1
Purchase of reserves in place	38	8	46	-	0.1	0.1
Sale of reserves in place	(461)	(321)	(782)	(2.2)	(3.8)	(6.0)
Production	(497)	(593)	(1,090)	(7.1)	(4.2)	(11.3)
End of year	4,550	4,242	8,792	101.6	108.4	210.0
Developed	2,985	2,628	5,613	47.8	43.1	90.9
Undeveloped	1,565	1,614	3,179	53.8	65.3	119.1
Total	**4,550**	**4,242**	**8,792**	**101.6**	**108.4**	**210.0**
2013						
Beginning of year	4,550	4,242	8,792	101.6	108.4	210.0
Revisions and improved recovery [4]	(256)	(362)	(618)	(7.0)	(17.3)	(24.3)
Extensions and discoveries	499	482	981	28.2	27.6	55.8
Purchase of reserves in place	-	7	7	-	0.6	0.6
Sale of reserves in place	(295)	(1)	(296)	(1.5)	(0.1)	(1.6)
Production	(523)	(491)	(1,014)	(11.1)	(8.6)	(19.7)
End of year	3,975	3,877	7,852	110.2	110.6	220.8
Developed	2,744	2,619	5,363	61.1	55.2	116.3
Undeveloped	1,231	1,258	2,489	49.1	55.4	104.5
Total	**3,975**	**3,877**	**7,852**	**110.2**	**110.6**	**220.8**

Notes:

(1) Definitions:

a. "Net" reserves are the remaining reserves of Encana, after deduction of estimated royalties and including royalty interests.

b. "Proved" oil and gas reserves are those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods and government regulations.

c. "Developed" oil and gas reserves are reserves of any category that are expected to be recovered through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well.

d. "Undeveloped" oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(2) Encana does not file any estimates of total net proved natural gas, oil and NGL reserves with any U.S. federal authority or agency other than the SEC.

(3) In 2012, revisions and improved recovery of natural gas included a reduction of 4,589 Bcf due to significantly lower 12-month average historical natural gas prices, partially offset by additions of 1,391 Bcf for technical revisions and improved recovery.

(4) In 2013, revisons and improved recovery of natural gas included a reduction of 2,872 Bcf due to lower proved undeveloped reserves bookings, partially offset by additions of 2,233 Bcf due to significantly higher 12-month average historical gas prices and minor positive revisions.

Pricing Assumptions (SEC Constant Pricing)

The following reference prices were utilized in the determination of reserves and future net revenue:

	Natural Gas		**Oil & NGLs**	
	Henry Hub ($/MMBtu)	AECO (C$/MMBtu)	WTI ($/bbl)	Edmonton [1] (C$/bbl)
Reserve Pricing [2]				
2011	4.12	3.76	96.19	96.53
2012	2.76	2.35	94.71	87.42
2013	3.67	3.14	96.94	93.44

Notes:

(1) Light Sweet.

(2) All prices were held constant in all future years when estimating net revenues and reserves.

Proved Undeveloped Reserves

Encana's proved undeveloped natural gas reserves represented approximately 32 percent of total proved natural gas reserves at December 31, 2013, a decrease from approximately 36 percent at December 31, 2012. At December 31, 2013, approximately 47 percent of Encana's proved oil and NGL reserves were undeveloped, a decrease from approximately 57 percent at December 31, 2012.

Bookings of proved undeveloped reserves were predicated on economics, technical merit, commercial considerations and development plans. All of the proved undeveloped reserves at December 31, 2013 are scheduled for development within five years and are attributed to locations that are subject to a development plan adopted by Encana's management. In the evaluation of Encana's reserves at December 31, 2013, the proved undeveloped reserves which have remained or are anticipated to remain undeveloped for five years or more from initial booking are not material.

During 2013, approximately 390 Bcfe of proved undeveloped reserves were converted to proved developed reserves. Investments made during 2013 to convert proved undeveloped reserves to proved developed reserves were approximately $0.4 billion.

Standardized Measure of Discounted Future Net Cash Flows and Changes Therein

In calculating the standardized measure of discounted future net cash flows, constant price and cost assumptions were applied to Encana's annual future production from proved reserves to determine cash inflows. Future production and development costs assume the continuation of existing economic, operating and regulatory conditions. Future income taxes are calculated by applying statutory income tax rates to future pre-tax cash flows after provision for the tax cost of the oil and natural gas properties based upon existing laws and regulations. The discount was computed by application of a 10 percent discount factor to the future net cash flows. The calculation of the standardized measure of discounted future net cash flows is based upon the discounted future net cash flows prepared by Encana's IQREs in relation to the reserves they respectively evaluated, and adjusted to the extent provided by contractual arrangements, such as price risk management activities, in existence at year end and to account for asset retirement obligations and future income taxes.

Encana cautions that the discounted future net cash flows relating to proved oil and gas reserves are an indication of neither the fair market value of Encana's oil and gas properties, nor the future net cash flows expected to be generated from such properties. The discounted future net cash flows do not include the fair market value of exploratory properties and probable or possible oil and gas reserves, nor is consideration given to the effect of anticipated future changes in oil and natural gas prices, development, asset retirement and production costs and possible changes to tax and royalty regulations. The prescribed discount rate of 10 percent may not appropriately reflect future interest rates. The computation also excludes values attributable to Encana's Market Optimization interests.

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

($ millions)	Canada			United States		
	2013	**2012**	**2011**	**2013**	**2012**	**2011**
Future cash inflows	19,039	15,471	27,731	17,217	14,124	26,558
Less future:						
Production costs	7,377	6,273	9,717	4,484	4,095	6,195
Development costs	4,515	5,117	8,186	3,982	4,210	7,786
Income taxes	652	-	784	1,615	555	2,730
Future net cash flows	6,495	4,081	9,044	7,136	5,264	9,847
Less 10% annual discount for estimated timing of cash flows	1,836	1,079	3,759	2,978	2,249	4,384
Discounted future net cash flows	**4,659**	**3,002**	**5,285**	**4,158**	**3,015**	**5,463**

($ millions)	Total		
	2013	**2012**	**2011**
Future cash inflows	36,256	29,595	54,289
Less future:			
Production costs	11,861	10,368	15,912
Development costs	8,497	9,327	15,972
Income taxes	2,267	555	3,514
Future net cash flows	13,631	9,345	18,891
Less 10% annual discount for estimated timing of cash flows	4,814	3,328	8,143
Discounted future net cash flows	**8,817**	**6,017**	**10,748**

Changes in Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

	Canada			United States		
($ millions)	2013	2012	2011	2013	2012	2011
Balance, beginning of year	3,002	5,285	5,289	3,015	5,463	6,147
Changes resulting from:						
Sales of oil and gas produced during the period	(1,649)	(1,808)	(1,951)	(1,490)	(2,223)	(2,653)
Discoveries and extensions, net of related costs	725	509	1,161	633	319	887
Purchases of proved reserves in place	-	7	55	16	8	42
Sales and transfers of proved reserves in place	(304)	(155)	(212)	(2)	(369)	(1,021)
Net change in prices and production costs	2,703	(1,364)	516	1,891	(2,106)	733
Revisions to quantity estimates	(178)	(1,290)	188	(324)	(2,858)	(336)
Accretion of discount	311	571	576	333	693	762
Previously estimated development costs incurred, net of change in future development costs	417	946	(441)	708	3,021	832
Other	14	(7)	54	(68)	(79)	63
Net change in income taxes	(382)	308	50	(554)	1,146	7
Balance, end of year	**4,659**	**3,002**	**5,285**	**4,158**	**3,015**	**5,463**

	Total		
($ millions)	2013	2012	2011
Balance, beginning of year	6,017	10,748	11,436
Changes resulting from:			
Sales of oil and gas produced during the period	(3,139)	(4,031)	(4,604)
Discoveries and extensions, net of related costs	1,358	828	2,048
Purchases of proved reserves in place	16	15	97
Sales and transfers of proved reserves in place	(306)	(524)	(1,233)
Net change in prices and production costs	4,594	(3,470)	1,249
Revisions to quantity estimates	(502)	(4,148)	(148)
Accretion of discount	644	1,264	1,338
Previously estimated development costs incurred, net of change in future development costs	1,125	3,967	391
Other	(54)	(86)	117
Net change in income taxes	(936)	1,454	57
Balance, end of year	**8,817**	**6,017**	**10,748**

Results of Operations

($ millions)	Canada 2013	Canada 2012	Canada 2011 (1)	United States 2013	United States 2012	United States 2011
Oil and gas revenues, net of royalties, transportation and processing	2,068	2,205	2,382	2,041	2,713	3,294
Less:						
Operating costs, production and mineral taxes, and accretion of asset retirement obligations	419	397	431	551	490	641
Depreciation, depletion and amortization	601	748	966	818	1,102	1,226
Impairments	-	1,822	2,249	-	2,842	-
Operating income (loss)	1,048	(762)	(1,264)	672	(1,721)	1,427
Income taxes	264	(191)	(335)	243	(623)	517
Results of operations	**784**	**(571)**	**(929)**	**429**	**(1,098)**	**910**

($ millions)	Total 2013	Total 2012	Total 2011(1)
Oil and gas revenues, net of royalties, transportation and processing	4,109	4,918	5,676
Less:			
Operating costs, production and mineral taxes, and accretion of asset retirement obligations	970	887	1,072
Depreciation, depletion and amortization	1,419	1,850	2,192
Impairments	-	4,664	2,249
Operating income (loss)	1,720	(2,483)	163
Income taxes	507	(814)	182
Results of operations	**1,213**	**(1,669)**	**(19)**

Note:

(1) Oil and gas revenues, net of royalties, transportation and processing for the comparative period ended December 31, 2011 were updated to present processing costs with transportation expense. Formerly, these processing costs were presented in operating costs.

Capitalized Costs and Costs Incurred

Capitalized Costs

($ millions)	Canada 2013	Canada 2012	Canada 2011	United States 2013	United States 2012	United States 2011
Proved oil and gas properties	25,003	26,024	27,259	26,529	24,825	23,319
Unproved oil and gas properties	598	716	968	470	579	458
Total capital cost	25,601	26,740	28,227	26,999	25,404	23,777
Accumulated DD&A	23,012	23,962	20,906	22,074	21,236	17,294
Net capitalized costs	**2,589**	**2,778**	**7,321**	**4,925**	**4,168**	**6,483**

($ millions)	Other 2013	Other 2012	Other 2011	Total 2013	Total 2012	Total 2011
Proved oil and gas properties	71	104	112	51,603	50,953	50,690
Unproved oil and gas properties	-	-	-	1,068	1,295	1,426
Total capital cost	71	104	112	52,671	52,248	52,116
Accumulated DD&A	71	104	112	45,157	45,302	38,312
Net capitalized costs	**-**	**-**	**-**	**7,514**	**6,946**	**13,804**

Costs Incurred

($ millions)	Canada 2013	Canada 2012	Canada 2011	United States 2013	United States 2012	United States 2011
Acquisitions						
Unproved	26	121	261	111	235	53
Proved	2	18	149	45	5	52
Total acquisitions	28	139	410	156	240	105
Exploration costs	22	201	174	412	633	181
Development costs	1,343	1,366	1,857	871	1,094	2,265
Total costs incurred	**1,393**	**1,706**	**2,441**	**1,439**	**1,967**	**2,551**

($ millions)	Total 2013	Total 2012	Total 2011
Acquisitions			
Unproved	137	356	314
Proved	47	23	201
Total acquisitions	184	379	515
Exploration costs	434	834	355
Development costs	2,214	2,460	4,122
Total costs incurred	**2,832**	**3,673**	**4,992**

Developed and Undeveloped Landholdings

The following table summarizes Encana's developed, undeveloped and total landholdings as at December 31, 2013.

Landholdings (1 - 7)

(thousands of acres)		Developed Gross	Developed Net	Undeveloped Gross	Undeveloped Net	Total Gross	Total Net
Canada							
Alberta	— Crown	1,398	828	1,615	1,143	3,013	1,971
	— Freehold	248	149	68	36	316	185
	— Fee	2,593	2,593	1,338	1,338	3,931	3,931
		4,239	3,570	3,021	2,517	7,260	6,087
British Columbia	— Crown	381	196	1,124	674	1,505	870
	— Freehold	7	-	-	-	7	-
	— Fee	-	-	1	1	1	1
		388	196	1,125	675	1,513	871
Newfoundland and Labrador	— Crown	-	-	35	2	35	2
Northwest Territories	— Crown	-	-	45	12	45	12
Nova Scotia	— Crown	20	20	21	10	41	30
Total Canada		**4,647**	**3,786**	**4,247**	**3,216**	**8,894**	**7,002**
United States							
Colorado	— Federal/State	202	191	469	439	671	630
	— Freehold	108	99	91	81	199	180
	— Fee	3	3	14	14	17	17
		313	293	574	534	887	827
Kansas	— Freehold	2	2	167	166	169	168
Louisiana	— Federal/State	1	1	2	2	3	3
	— Freehold	168	93	119	107	287	200
	— Fee	9	6	63	44	72	50
		178	100	184	153	362	253
Michigan	— Federal/State	4	4	357	357	361	361
	— Freehold	-	-	30	30	30	30
		4	4	387	387	391	391
Mississippi	— Federal/State	-	-	4	4	4	4
	— Freehold	10	7	226	212	236	219
		10	7	230	216	240	223
New Mexico	— Federal/State	44	27	313	176	357	203
	— Freehold	-	-	8	4	8	4
		44	27	321	180	365	207
Texas	— Federal/State	2	2	3	2	5	4
	— Freehold	60	49	150	109	210	158
		62	51	153	111	215	162
Wyoming	— Federal/State	77	59	315	283	392	342
	— Freehold	6	4	16	13	22	17
		83	63	331	296	414	359
Other	— Federal/State	4	3	39	34	43	37
	— Freehold	3	2	5	3	8	5
		7	5	44	37	51	42
Total United States		**703**	**552**	**2,391**	**2,080**	**3,094**	**2,632**
International							
Australia		-	-	104	40	104	40
Total International		**-**	**-**	**104**	**40**	**104**	**40**
Total		**5,350**	**4,338**	**6,742**	**5,336**	**12,092**	**9,674**

Notes:

(1) Fee lands are those lands in which Encana has a fee simple interest in the mineral rights and has either: (i) not leased out all of the mineral zones; or (ii) retained a working interest; or (iii) one or more substances or products that have not been leased. The current fee lands acreage summary includes all fee titles owned by Encana that have one or more zones that remain unleased or available for development.
(2) This table excludes approximately 3.0 million gross acres of fee lands with one or more substances or products under lease or sublease, reserving to Encana royalties or other interests.
(3) Crown/Federal/State lands are those owned by the federal, provincial or state government or the First Nations, in which Encana has purchased a working interest lease.
(4) Freehold lands are owned by individuals (other than a government or Encana), in which Encana holds a working interest lease.
(5) Gross acres are the total area of properties in which Encana has an interest.
(6) Net acres are the sum of Encana's fractional interest in gross acres.
(7) Undeveloped acreage refers to those acres on which wells have not been drilled or completed to a point that would permit the production of economic quantities of oil or gas regardless of whether such acreage contains proved reserves.

Exploration and Development Activities

The following tables summarize Encana's gross participation and net interest in wells drilled for the periods indicated.

Exploration Wells Drilled (1, 2)

	Gas		Oil		Dry & Abandoned		Total Working Interest		Royalty	Total	
	Gross	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Gross**	**Net**
2013 (3)											
Canadian Division	31	15	1	1	-	-	32	16	21	53	16
USA Division	5	5	43	31	-	-	48	36	-	48	36
Total	**36**	**20**	**44**	**32**	**-**	**-**	**80**	**52**	**21**	**101**	**52**
2012											
Canadian Division	20	15	-	-	-	-	20	15	23	43	15
USA Division	15	9	45	37	1	1	61	47	-	61	47
Total	**35**	**24**	**45**	**37**	**1**	**1**	**81**	**62**	**23**	**104**	**62**
2011											
Canadian Division	30	19	-	-	-	-	30	19	31	61	19
USA Division	19	6	3	3	-	-	22	9	5	27	9
Total	**49**	**25**	**3**	**3**	**-**	**-**	**52**	**28**	**36**	**88**	**28**

Notes:

(1) "Gross" wells are the total number of wells in which Encana has an interest.
(2) "Net" wells are the number of wells obtained by aggregating Encana's working interest in each of its gross wells.
(3) At December 31, 2013, Encana was in the process of drilling the following exploratory and development wells: approximately 10 gross wells (9 net wells) in Canada and approximately 63 gross wells (32 net wells) in the U.S.

Development Wells Drilled [1, 2]

	Gas		Oil		Dry & Abandoned		Total Working Interest		Royalty	Total	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Gross	Net
2013 [3]											
Canadian Division	329	308	67	66	-	-	396	374	430	826	374
USA Division	437	201	-	-	-	-	437	201	31	468	201
Total	**766**	**509**	**67**	**66**	**-**	**-**	**833**	**575**	**461**	**1,294**	**575**
2012											
Canadian Division	356	325	32	32	-	-	388	357	219	607	357
USA Division	445	237	-	-	1	1	446	238	18	464	238
Total	**801**	**562**	**32**	**32**	**1**	**1**	**834**	**595**	**237**	**1,071**	**595**
2011											
Canadian Division	725	706	2	2	-	-	727	708	221	948	708
USA Division	695	392	-	-	5	1	700	393	206	906	393
Total	**1,420**	**1,098**	**2**	**2**	**5**	**1**	**1,427**	**1,101**	**427**	**1,854**	**1,101**

Notes:

(1) "Gross" wells are the total number of wells in which Encana has an interest.

(2) "Net" wells are the number of wells obtained by aggregating Encana's working interest in each of its gross wells.

(3) At December 31, 2013, Encana was in the process of drilling the following exploratory and development wells: approximately 10 gross wells (9 net wells) in Canada and approximately 63 gross wells (32 net wells) in the U.S.

Production Volumes (After Royalties)

The following tables summarize the net daily average production volumes for Encana for the periods indicated.

Production Volumes (After Royalties)

(average daily)	2013 Annual	2013 Q4	2013 Q3	2013 Q2	2013 Q1
Produced Gas (MMcf/d)					
Canadian Division	1,432	1,528	1,414	1,364	1,422
USA Division	1,345	1,216	1,309	1,402	1,455
	2,777	**2,744**	**2,723**	**2,766**	**2,877**
Oil & NGLs (Mbbls/d)					
Canadian Division	30.4	38.5	32.8	26.0	24.0
USA Division	23.5	27.5	25.4	21.6	19.5
	53.9	**66.0**	**58.2**	**47.6**	**43.5**

(average daily)	2012	2011
Produced Gas (MMcf/d)		
Canadian Division	1,359	1,454
USA Division	1,622	1,879
	2,981	**3,333**
Oil & NGLs (Mbbls/d)		
Canadian Division	19.4	14.5
USA Division	11.6	9.5
	31.0	**24.0**

Per-Unit Results (After Royalties)

The following tables summarize the net per-unit results for Encana for the periods indicated, which exclude the impact of realized hedging.

Netbacks by Country (After Royalties)

	2013				
	Annual	**Q4**	**Q3**	**Q2**	**Q1**
Produced Gas ($/Mcf)					
Canadian Division					
Price, after royalties	3.35	3.60	2.90	3.69	3.21
Production and mineral taxes	0.01	0.02	0.01	-	0.01
Transportation and processing	1.37	1.46	1.38	1.33	1.29
Operating	0.61	0.59	0.55	0.65	0.66
	1.36	1.53	0.96	1.71	1.25
USA Division					
Price, after royalties	3.81	3.81	3.66	4.29	3.50
Production and mineral taxes	0.16	0.18	0.13	0.21	0.11
Transportation and processing	1.47	1.56	1.53	1.40	1.40
Operating	0.69	0.86	0.65	0.61	0.66
	1.49	1.21	1.35	2.07	1.33
Total Encana					
Price, after royalties	3.57	3.69	3.26	3.99	3.35
Production and mineral taxes	0.08	0.09	0.07	0.11	0.06
Transportation and processing	1.42	1.51	1.46	1.36	1.35
Operating	0.65	0.70	0.60	0.63	0.66
	1.42	**1.39**	**1.13**	**1.89**	**1.28**
Oil & NGLs ($/bbl)					
Canadian Division					
Price, after royalties	65.06	62.80	67.33	65.88	64.72
Production and mineral taxes	0.96	0.61	1.91	0.62	0.58
Transportation and processing	2.89	5.15	2.41	1.53	1.33
Operating	3.56	2.03	3.74	3.77	5.61
	57.65	55.01	59.27	59.96	57.20
USA Division					
Price, after royalties	70.18	69.46	72.53	68.56	69.91
Production and mineral taxes	4.79	5.06	4.90	4.57	4.50
Transportation and processing	-	-	-	-	-
Operating	7.02	4.11	5.13	7.54	13.16
	58.37	60.29	62.50	56.45	52.25
Total Encana					
Price, after royalties	67.30	65.58	69.60	67.10	67.04
Production and mineral taxes	2.63	2.46	3.22	2.41	2.33
Transportation and processing	1.63	3.01	1.36	0.84	0.73
Operating	5.07	2.90	4.35	5.48	8.98
	57.97	**57.21**	**60.67**	**58.37**	**55.00**

Netbacks by Country
(After Royalties)

	Annual Average	
	2012	**2011**
Produced Gas ($/Mcf)		
Canada		
Price, after royalties	2.58	3.79
Production and mineral taxes	-	0.02
Transportation and processing (1)	1.12	0.91
Operating (1)	0.67	0.68
	0.79	2.18
United States		
Price, after royalties	3.03	4.47
Production and mineral taxes	0.11	0.23
Transportation and processing	1.10	1.06
Operating	0.59	0.62
	1.23	2.56
Total Encana		
Price, after royalties	2.83	4.17
Production and mineral taxes	0.06	0.14
Transportation and processing (1)	1.11	0.99
Operating (1)	0.62	0.64
	1.04	**2.40**
Oil & NGLs ($/bbl)		
Canada		
Price, after royalties	70.84	85.41
Production and mineral taxes	1.13	0.90
Transportation and processing (1)	0.75	1.45
Operating (1)	2.09	1.23
	66.87	81.83
United States		
Price, after royalties	82.33	85.28
Production and mineral taxes	6.63	7.54
Transportation and processing	0.06	0.08
Operating	5.88	0.70
	69.76	76.96
Total Encana		
Price, after royalties	75.12	85.36
Production and mineral taxes	3.18	3.52
Transportation and processing (1)	0.50	0.92
Operating (1)	3.50	1.02
	67.94	**79.90**

Notes:

(1) The Canadian Division per-unit results for 2011 transportation and processing expense and operating expense were updated to present processing costs with transportation expense. Formerly, these processing costs were presented in operating expense.

Impact of Realized Hedging on Encana's Netbacks
(After Royalties)

	2013				
	Annual	**Q4**	**Q3**	**Q2**	**Q1**
Natural Gas ($/Mcf)					
Canadian Division	0.51	0.60	0.78	0.15	0.50
USA Division	0.53	0.72	0.69	0.21	0.53
Total	0.52	0.65	0.74	0.18	0.51
Oil & NGLs ($/bbl)					
Canadian Division	0.46	1.62	(2.59)	1.00	2.20
USA Division	0.44	1.15	(2.73)	1.32	2.67
Total	0.45	1.43	(2.65)	1.15	2.41

	Annual Average	
	2012	**2011**
Natural Gas ($/Mcf)		
Canadian Division	1.97	0.69
USA Division	2.01	0.87
Total	1.99	0.79
Oil & NGLs ($/bbl)		
Canadian Division	-	-
USA Division	-	-
Total	-	-

Appendix E - Audit Committee Mandate

Last updated December 3, 2013.

I. PURPOSE

The Audit Committee (the "Committee") is appointed by the Board of Directors of Encana Corporation ("the Corporation") to assist the Board in fulfilling its oversight responsibilities.

The Committee's primary duties and responsibilities are to:

- Review management's identification of principal financial risks and monitor the process to manage such risks.
- Oversee and monitor the Corporation's compliance with legal and regulatory requirements.
- Receive and review the reports of the Audit Committee of any subsidiary with public securities.
- Oversee and monitor the integrity of the Corporation's accounting and financial reporting processes, financial statements and system of internal controls regarding accounting and financial reporting and accounting compliance.
- Oversee audits of the Corporation's financial statements.
- Oversee and monitor the qualifications, independence and performance of the Corporation's external auditors and internal auditing department.
- Provide an avenue of communication among the external auditors, management, the internal auditing department, and the Board of Directors.
- Report to the Board of Directors regularly.

The Committee has the authority to conduct any review or investigation appropriate to fulfilling its responsibilities. The Committee shall have unrestricted access to personnel and information, and any resources necessary to carry out its responsibility. In this regard, the Committee may direct internal audit personnel to particular areas of examination.

II. COMPOSITION AND MEETINGS

Committee Member's Duties in addition to those of a Director

The duties and responsibilities of a member of the Committee are in addition to those duties set out for a member of the Board of Directors.

Composition

The Committee shall consist of not less than three and not more than five directors as determined by the Board, all of whom shall qualify as independent directors pursuant to National Instrument 52-110 *Audit Committees* (as implemented by the Canadian Securities Administrators and as amended from time to time) ("NI 52-110").

All members of the Committee shall be financially literate, as defined in NI 52-110, and at least one member shall have accounting or related financial managerial expertise. In particular, at least one member shall have, through (i) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions; (ii) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions; (iii) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or (iv) other relevant experience:

- An understanding of generally accepted accounting principles and financial statements;
- The ability to assess the general application of such principles in connection with the accounting for estimates, accruals and provisions;

- Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities;
- An understanding of internal controls and procedures for financial reporting; and
- An understanding of audit committee functions.

Committee members may not, other than in their respective capacities as members of the Committee, the Board or any other committee of the Board, accept directly or indirectly any consulting, advisory or other compensatory fee from the Corporation or any subsidiary of the Corporation, or be an "affiliated person" (as such term is defined in the United States Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and the rules adopted by the U.S. Securities and Exchange Commission ("SEC") thereunder) of the Corporation or any subsidiary of the Corporation. For greater certainty, directors' fees and fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation that are not contingent on continued service should be the only compensation an audit committee member receives from the Corporation.

At least one member shall have experience in the oil and gas industry.

Committee members shall not simultaneously serve on the audit committees of more than two other public companies, unless the Board first determines that such simultaneous service will not impair the ability of the relevant members to effectively serve on the Committee, and required public disclosure is made.

The non-executive Board Chair shall be a non-voting member of the Committee. See Quorum for further details.

Appointment of Members

Committee members shall be appointed at a meeting of the Board, effective after the election of directors at the annual meeting of shareholders, provided that any member may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the Committee upon ceasing to be a member of the Board.

The Nominating and Corporate Governance Committee will recommend for approval to the Board an independent Director to act as Chair of the Committee. The Board shall appoint the Chair of the Committee.

If the Chair of the Committee is unavailable or unable to attend a meeting of the Committee, the Chair shall ask another member to chair the meeting, failing which a member of the Committee present at the meeting shall be chosen to preside over the meeting by a majority of the members of the Committee present at such meeting.

The Chair of the Committee presiding at any meeting of the Committee shall not have a casting vote.

The items pertaining to the Chair in this section should be read in conjunction with the Committee Chair section of the *Chair of the Board of Directors and Committee Chair General Guidelines*.

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

The Corporate Secretary or one of the Assistant Corporate Secretaries of the Corporation or such other person as the Corporate Secretary of the Corporation shall designate from time to time shall be the Secretary of the Committee and shall keep minutes of the meetings of the Committee.

Meetings

Committee meetings may, by agreement of the Chair of the Committee, be held in person, by video conference, by means of telephone or by a combination of any of the foregoing.

The Committee shall meet at least quarterly. The Chair of the Committee may call additional meetings as required. In addition, a meeting may be called by the non-executive Board Chair, the President & Chief Executive Officer, or any member of the Committee or by the external auditors.

The Committee shall have the right to determine who shall, and who shall not, be present at any time during a meeting of the Committee.

Directors, who are not members of the Committee, may attend Committee meetings, on an ad hoc basis, upon prior consultation and approval by the Committee Chair or by a majority of the members of the Committee.

The Committee may, by specific invitation, have other resource persons in attendance.

The President & Chief Executive Officer, the Executive Vice-President & Chief Financial Officer, the Vice-President & Comptroller or any vice-president holding a similar role in accounting, risk, compliance and / or audit are expected to be available to attend the Committee's meetings or portions thereof.

Notice of Meeting

Notice of the time and place of each Committee meeting may be given orally, or in writing, or by facsimile, or by electronic means to each member of the Committee at least 48 hours prior to the time fixed for such meeting. Notice of each meeting shall also be given to the external auditors of the Corporation.

A member and the external auditors may, in any manner, waive notice of the Committee meeting. Attendance of a member at a meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

Quorum

A majority of Committee members, present in person, by video conference, by telephone, or by a combination thereof, shall constitute a quorum. In addition, if an ex officio, non-voting member's presence is required to attain a quorum of the Committee, then the said member shall be allowed to cast a vote at the meeting.

Minutes

Minutes of each Committee meeting should be succinct yet comprehensive in describing substantive issues discussed by the Committee. However, they should clearly identify those items of responsibilities scheduled by the Committee for the meeting that have been discharged by the Committee and those items of responsibilities that are outstanding.

Minutes of Committee meetings shall be sent to all Committee members and to the external auditors.

The full Board of Directors shall be kept informed of the Committee's activities by a report following each Committee meeting.

III. RESPONSIBILITIES

Review Procedures

Review and update the Committee's mandate annually, or sooner, where the Committee deems it appropriate to do so. Provide a summary of the Committee's composition and responsibilities in the Corporation's annual report or other public disclosure documentation.

Provide a summary of all approvals by the Committee of the provision of audit, audit-related, tax and other services by the external auditors for inclusion in the Corporation's annual report filed with the SEC.

Annual Financial Statements

1. Discuss and review with management and the external auditors the Corporation's and any subsidiary with public securities annual audited financial statements and related documents prior to their filing or distribution. Such review to include:

   a. The annual financial statements and related footnotes including significant issues regarding accounting principles, practices and significant management estimates and judgments, including any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies.

   b. Management's Discussion and Analysis.

   c. A review of the use of off-balance sheet financing including management's risk assessment and adequacy of disclosure.

   d. A review of the external auditors' audit examination of the financial statements and their report thereon.

   e. Review of any significant changes required in the external auditors' audit plan.

   f. A review of any serious difficulties or disputes with management encountered during the course of the audit, including any restrictions on the scope of the external auditors' work or access to required information.

   g. A review of other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.

2. Review and formally recommend approval to the Board of the Corporation's:

   a. Year-end audited financial statements. Such review shall include discussions with management and the external auditors as to:

      (i) The accounting policies of the Corporation and any changes thereto.

      (ii) The effect of significant judgments, accruals and estimates.

      (iii) The manner of presentation of significant accounting items.

      (iv) The consistency of disclosure.

   b. Management's Discussion and Analysis.

   c. Annual Information Form as to financial information.

   d. All prospectuses and information circulars as to financial information.

   The review shall include a report from the external auditors about the quality of the most critical accounting principles upon which the Corporation's financial status depends, and which involve the most complex, subjective or significant judgmental decisions or assessments.

Quarterly Financial Statements

3. Review with management and the external auditors and either approve (such approval to include the authorization for public release) or formally recommend for approval to the Board the Corporation's:

   a. Quarterly unaudited financial statements and related documents, including Management's Discussion and Analysis.

   b. Any significant changes to the Corporation's accounting principles.

Review quarterly unaudited financial statements of any subsidiary of the Corporation with public securities prior to their distribution.

Other Financial Filings and Public Documents

4. Review and discuss with management financial information, including annual and interim earnings press releases, the use of “pro forma” or non-GAAP financial information and earnings guidance, contained in any filings with the securities regulators or news releases related thereto (or provided to analysts or rating agencies). Consideration should be given as to whether the information is consistent with the information contained in the financial statements of the Corporation or any subsidiary with public securities. Such review and discussion should occur before public disclosure and may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made).

Internal Control Environment

5. Ensure that management, the external auditors, and the internal auditors provide to the Committee an annual report on the Corporation’s control environment as it pertains to the Corporation's financial reporting process and controls.

6. Review and discuss significant financial risks or exposures and assess the steps management has taken to monitor, control, report and mitigate such risk to the Corporation.

7. Review significant findings prepared by the external auditors and the internal auditing department together with management's responses.

8. Review in consultation with the internal auditors and the external auditors the degree of coordination in the audit plans of the internal auditors and the external auditors and enquire as to the extent the planned scope can be relied upon to detect weaknesses in internal controls, fraud, or other illegal acts. The Committee will assess the coordination of audit effort to assure completeness of coverage and the effective use of audit resources. Any significant recommendations made by the auditors for the strengthening of internal controls shall be reviewed and discussed with management.

Other Review Items

9. Review policies and procedures with respect to officers’ and directors' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the internal auditor or the external auditors.

10. Review all related party transactions between the Corporation and any officers or directors, including affiliations of any officers or directors.

11. Review with the General Counsel, the head of internal audit and the external auditors the results of their review of the Corporation’s monitoring compliance with each of the Corporation’s published codes of business conduct and applicable legal requirements.

12. Review legal and regulatory matters, including correspondence with regulators and governmental agencies, that may have a material impact on the interim or annual financial statements, related corporation compliance policies, and programs and reports received from regulators or governmental agencies. Members from the Legal and Tax departments should be at the meeting in person to deliver their reports.

13. Review policies and practices with respect to off-balance sheet transactions and trading and hedging activities, and consider the results of any review of these areas by the internal auditors or the external auditors.

14. Ensure that the Corporation’s presentations on net proved reserves have been reviewed with the Reserves Committee of the Board.

15. Review management's processes in place to prevent and detect fraud.

16. Review procedures for the receipt, retention and treatment of complaints received by the Corporation, including confidential, anonymous submissions by employees of the Corporation, regarding accounting, internal accounting controls, or auditing matters.

17. Review with the President & Chief Executive Officer, the Executive Vice-President & Chief Financial Officer of the Corporation and the external auditors: (i) all significant deficiencies and material weaknesses in the design or operation of the Corporation's internal controls and procedures for financial reporting which could adversely affect the Corporation's ability to record, process, summarize and report financial information required to be disclosed by the Corporation in the reports that it files or submits under the Exchange Act or applicable Canadian federal and provincial legislation and regulations within the required time periods, and (ii) any fraud, whether or not material, that involves management of the Corporation or other employees who have a significant role in the Corporation's internal controls and procedures for financial reporting.

18. Meet on a periodic basis separately with management.

External Auditors

19. Be directly responsible, in the Committee's capacity as a committee of the Board and subject to the rights of shareholders and applicable law, for the appointment, compensation, retention and oversight of the work of the external auditors (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing an audit report, or performing other audit, review or attest services for the Corporation. The external auditors shall report directly to the Committee.

20. Meet on a regular basis with the external auditors (without management present) and have the external auditors be available to attend Committee meetings or portions thereof at the request of the Chair of the Committee or by a majority of the members of the Committee.

21. Review and discuss a report from the external auditors at least quarterly regarding:

    a. All critical accounting policies and practices to be used;

    b. All alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; and

    c. Other material written communications between the external auditors and management, such as any management letter or schedule of unadjusted differences.

22. Obtain and review a report from the external auditors at least annually regarding:

    a. The external auditors' internal quality-control procedures.

    b. Any material issues raised by the most recent internal quality-control review, or peer review, of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with those issues.

    c. To the extent contemplated in the following paragraph, all relationships between the external auditors and the Corporation.

23. Review and discuss with the external auditors all relationships that the external auditors and their affiliates have with the Corporation and its affiliates in order to determine the external auditors' independence, including, without limitation, (i) receiving and reviewing, as part of the report described in the preceding paragraph, a formal written statement from the external auditors delineating all relationships that may

reasonably be thought to bear on the independence of the external auditors with respect to the Corporation and its affiliates, (ii) discussing with the external auditors any disclosed relationships or services that the external auditors believe may affect the objectivity and independence of the external auditors, and (iii) recommending that the Board take appropriate action in response to the external auditors' report to satisfy itself of the external auditors' independence.

24. Review and evaluate:

    a. The external auditors' and the lead partner of the external auditors' team's performance, and make a recommendation to the Board of Directors regarding the reappointment of the external auditors at the annual meeting of the Corporation's shareholders or regarding the discharge of such external auditors.

    b. The terms of engagement of the external auditors together with their proposed fees.

    c. External audit plans and results.

    d. Any other related audit engagement matters.

    e. The engagement of the external auditors to perform non-audit services, together with the fees therefor, and the impact thereof, on the independence of the external auditors.

25. Upon reviewing and discussing the information provided to the Committee in accordance with paragraphs 21 through 24, evaluate the external auditors' qualifications, performance and independence, including whether or not the external auditors' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining auditor independence, taking into account the opinions of management and the head of internal audit. The Committee shall present its conclusions with respect to the external auditors to the Board.

26. Ensure the rotation of partners on the audit engagement team in accordance with applicable law. Consider whether, in order to assure continuing external auditor independence, it is appropriate to adopt a policy of rotating the external auditing firm on a regular basis.

27. Set clear hiring policies for the Corporation's hiring of employees or former employees of the external auditors.

28. Consider with management and the external auditors the rationale for employing audit firms other than the principal external auditors.

29. Consider and review with the external auditors, management and the head of internal audit:

    a. Significant findings during the year and management's responses and follow-up thereto.

    b. Any difficulties encountered in the course of their audits, including any restrictions on the scope of their work or access to required information, and management's response.

    c. Any significant disagreements between the external auditors or internal auditors and management.

    d. Any changes required in the planned scope of their audit plan.

    e. The resources, budget, reporting relationships, responsibilities and planned activities of the internal auditors.

    f. The internal audit department mandate.

    g. Internal audit's compliance with the Institute of Internal Auditors' standards.

Internal Audit Department and Independence

30. Meet on a periodic basis separately with the head of internal audit.

31. Review and concur in the appointment, compensation, replacement, reassignment, or dismissal of the head of internal audit.

32. Confirm and assure, annually, the independence of the internal audit department and the external auditors.

Approval of Audit and Non-Audit Services

33. Review and, where appropriate, approve the provision of all permitted non-audit services (including the fees and terms thereof) in advance of the provision of those services by the external auditors (subject to *de minimus* exceptions for non-audit services described, in NI 52-110, the rules and forms under the *Exchange Act*, SEC Regulation S-X or other applicable Canadian or United States federal, provincial and state legislation and regulations, which services are approved by the Committee prior to the completion of the audit).

34. Review and, where appropriate and permitted, approve the provision of all audit services (including the fees and terms thereof) in advance of the provision of those services by the external auditors.

35. If the pre-approvals contemplated in paragraphs 33 and 34 are not obtained, approve, where appropriate and permitted, the provision of all audit and non-audit services promptly after the Committee or a member of the Committee to whom authority is delegated becomes aware of the provision of those services.

36. Delegate, if the Committee deems necessary or desirable, to subcommittees consisting of one or more members of the Committee, the authority to grant the pre-approvals and approvals described in paragraphs 33 through 35. The decision of any such subcommittee to grant pre-approval shall be presented to the full Committee at the next scheduled Committee meeting.

37. The Committee may establish policies and procedures for the pre-approvals described in paragraphs 33 and 34, so long as such policies and procedures are detailed as to the particular service, the Committee is informed of each service and such policies and procedures do not include delegation of the Committee's responsibilities under the *Exchange Act* or applicable Canadian federal and provincial legislation and regulations to management.

Other Matters

38. Review and concur in the appointment, replacement, reassignment, or dismissal of the Chief Financial Officer.

39. Upon a majority vote of the Committee outside resources may be engaged where and if deemed advisable.

40. Report Committee actions to the Board of Directors with such recommendations, as the Committee may deem appropriate.

41. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain, obtain advice or otherwise receive assistance from independent counsel, accountants, or others to assist it in the conduct of any investigation as it deems necessary and the carrying out of its duties.

42. The Corporation shall provide for appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for payment (i) of compensation to the external auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, (ii) of compensation to any advisors employed by the Committee and (iii) of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

43. Obtain assurance from the external auditors that disclosure to the Committee is not required pursuant to the provisions of the *Exchange Act* regarding the discovery of illegal acts by the external auditors.

44. The Committee shall review and reassess the adequacy of this Mandate annually and recommend any proposed changes to the Board for approval.

45. The Committee's performance shall be evaluated annually by the Nominating and Corporate Governance Committee of the Board of Directors.

46. Perform such other functions as required by law, the Corporation's mandate or bylaws, or the Board of Directors.

47. Consider any other matters referred to it by the Board of Directors.