



ENCANA™
energy for people

Company Profile

EnCana is uniquely positioned as an integrated North American resource play company. We are focused on creating long-term value by doing what we do best — developing unconventional natural gas and in-situ oilsands resources. Our primary goal is to increase net asset value per share through disciplined capital investment in the development of our large unconventional resources, pursuit of strategic initiatives that unlock value through optimization of our enormous North American asset base, and return of free cash flow to shareholders through share purchases and dividends. EnCana has the strength and stability to deliver on our potential for years to come.

EnCana is headquartered in Calgary, Alberta, Canada and our common shares are widely held and trade on the Toronto and New York stock exchanges under the symbol ECA.

Cover: near Grande Prairie, Alberta, Canada.

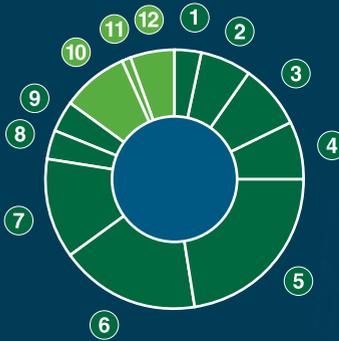
- Page 1 Message from President & CEO
- Tab 1: Management Context
- Tab 2: Operating Responsibly
- Tab 3: Performance Data and Supporting Information

Symbols used throughout this report

-  We have undertaken a specific initiative to address stakeholder concerns or are acting on advice stakeholders have given us.
-  Look for this symbol when the EnCana website is referenced.
-  Look for this icon identifying innovative approaches to meeting our corporate responsibility commitments.

Abbreviations for values in data tables can be found on the inside back cover.

2006 proportion of production by key resource play



Natural Gas

- 1 Bighorn
- 2 Cutbank Ridge
- 3 Greater Sierra
- 4 Coalbed Methane (CBM)
- 5 Shallow Gas
- 6 Jonah
- 7 Piceance
- 8 Fort Worth
- 9 East Texas

Oil

- 10 Foster Creek
- 11 Christina Lake
- 12 Pelican Lake
-  Enhanced oil recovery
-  Refineries
-  EnCana land



Lift here to view our Operations Overview.

EnCana Operations Overview

Effective January 1, 2007, EnCana was reorganized into six operating Divisions: Canadian Foothills, Canadian Plains, USA, Integrated Oilsands, Midstream & Marketing and Offshore & International. Where possible, we report data at a corporate level but occasionally you will see performance or activities reported on by operating division or business unit within these divisions. EnCana is a resource play company, meaning we develop gas and oil by drilling numerous wells in a repeatable manner where there are large, continuous accumulations of hydrocarbons. Our vast landholdings across these resource plays and diverse geographies mean a flexible and innovative approach to meeting regulatory and corporate responsibility requirements is needed. Additional information about EnCana's operations can be found on our website.



Our Operating Divisions

Financial and Operating Highlights	2006
Total sales, net of royalties (MMcfe/d)	4,369
Continuing operations	
Gas (MMcfe/d)	3,367
Oil and natural gas liquids (bbls/d)	154,704
Discontinued operations (bbls/d)	12,366
Total net acreage (thousands of acres)	63,976
North America	28,316
International ¹	35,660
Revenues, net of royalties (\$ millions)	16,399
Cash flow from continuing operations (\$ millions) ²	7,043
Common shares outstanding (millions)	777.9
Market capitalization (\$ millions) ³	35,745

¹ Includes 27,052 thousand net acres in Chad which were divested in January of 2007
² Cash flow advisory — see page 10
³ Based on shares outstanding and NYSE closing share price at year-end 2006

Resource Play

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

Canadian Foothills Division

The Canadian Foothills Division includes EnCana's key natural gas growth assets in British Columbia and Alberta. In 2006 this division drilled approximately 1,274 net wells and produced 1,281 MMcfe/d.

Key resource plays for this division include:

- 1 Bighorn
- 2 Cutbank Ridge
- 3 Greater Sierra
- 4 CBM

 According to our 2006 Stakeholder Engagement Survey (see story page 8), key areas of importance identified by stakeholders in this division include:

- Cumulative effects on land, air and water resources, in particular, coalbed methane drilling on water;
- Monitoring of contractor performance and enhanced quality control of contractors;
- Impact of oil and gas development on agriculture;
- Fair and respectful treatment of landowners and First Nations;
- Attracting and retaining a skilled labour force; and
- Sustainable community and economic stability.

Canadian Plains Division

The Canadian Plains Division includes the majority of EnCana's legacy natural gas production activities in southern Alberta and Saskatchewan as well as our crude oil development and production activities in Alberta and Saskatchewan (excluding in-situ oilsands). In 2006 this division drilled approximately 1,635 net wells and produced 1,367 MMcfe/d.

Key resource plays for this division include:

- 5 Shallow Gas
- 12 Pelican Lake

 According to our 2006 Stakeholder Engagement Survey, key areas of importance identified by stakeholders in this division include:

- Environmental impacts;
- Concerns regarding economic and environmental sustainability;
- Landowner compensation and surface rights; and
- Skilled labour shortage.



USA Division

Our USA Division is focused on exploiting deep, tight, long-life, unconventional natural gas formations. In 2006, this division drilled approximately 639 net wells and produced 1,260 MMcfe/d.

Key resource plays for this division include:

- 6 Jonah
- 7 Piceance
- 8 Fort Worth
- 9 East Texas

 According to our 2006 Stakeholder Engagement Survey, key areas of importance identified by stakeholders in this division include:

- Contractor behaviour;
- Environmental impacts;
- Industry sustainability as price fluctuates and alternative energy sources are developed;
- Collision of industry and community interests and public health concerns; and
- Drilling in residential areas affecting quality of life and infrastructure.

Integrated Oilsands Division

Our Integrated Oilsands Division includes all assets within our newly created integrated heavy oil business, including our two U.S.-based refinery assets. In 2007, EnCana finalized a transaction with ConocoPhillips (NYSE: COP) to create an integrated North American heavy oil business consisting of high quality upstream and downstream assets. EnCana's other oilsands interests (not part of the ConocoPhillips partnership) and the natural gas assets on the Cold Lake Air Weapons Range near Cold Lake, Alberta are also part of this division. In 2006, this division drilled approximately 98 net wells — eight oil wells and 90 gas wells, and produced 400 MMcfe/d.

Key resource plays for this division include:

- 10 Foster Creek
- 11 Christina Lake

 According to our 2006 Stakeholder Engagement Survey, key areas of importance identified by stakeholders in this division include:

- Environmental impacts;
- Skilled labour shortage in remote locations;
- Community infrastructure, schools, housing, hospitals, policing and social programs; and
- Aboriginal issues.

Midstream & Marketing Division

Our Midstream & Marketing Division continues to provide co-ordination of the corporation's natural gas and crude oil market optimization activities and includes our Cavalier and Balzac power generation assets. In 2006, natural gas was marketed and sold to primarily local distribution companies, industrials, other producer and marketing companies, and aggregators who supply natural gas to other markets throughout North America. Our crude oil is sold to oil markets in Canada and the U.S. As a large consumer of electricity, our power generation assets assist us in managing the cost of our operating divisions in Alberta's deregulated market.

Offshore & International Division

The Offshore & International Division includes EnCana's offshore East Coast Canadian assets as well as assets in Brazil, the Middle East, Greenland and France. In 2006, this division drilled four net wells. In January 2007, we completed the sale of all interests in our Chad exploration assets for approximately \$203 million.

EnCana invests about 2 percent of our capital in exploration opportunities beyond our core geographic areas.

A Message from Randy Eresman

Randy Eresman
President &
Chief Executive Officer



In particular, there is increasing concern with the impact fossil fuel development and consumption has on all aspects of the environment — our land, our water and our air. We share these concerns.

As you read through this report, I trust you will see that EnCana is founded on sound principles of responsible operations and that acting in a conscientious and reliable manner is as important to sustaining our business as the profits we earn. Both are vital to long-term viability.

Along the way, we know there are no perfect solutions to the challenges we face. EnCana employees are our champions as we navigate these challenges. They strive to employ capital- and energy-efficient methods to minimize our footprint and maximize the recovery of the resources we extract. Every day, we are taking innovative steps to engage our stakeholders and to operate with integrity — in everything we do.

Where our operations and stakeholder expectations intersect, we listen, learn and strive to understand. We don't claim to have all the answers, and we work to find common ground wherever we operate. Over the past year, we sought stakeholders' perspectives through one of the largest stakeholder surveys ever conducted in our industry. We received feedback from more than 7,000 participants who told us what matters to them and how we are doing. The results of this

Succeeding as a major oil and gas company in today's operating environment with rising global demand, increased emphasis on energy security, volatile oil and natural gas prices, labour shortages and escalating environmental concerns has its challenges.

survey are highlighted throughout this report, as well as the actions we are taking to respond to stakeholder concerns. Stakeholder feedback assists EnCana in creating and improving programs and stakeholder engagement approaches.

In 2006, we continued to develop our solutions, asking EnCana employees to find ways to increase our efficiency, conserve energy and produce more while we generate less impact from our business. By trimming operating costs and improving processes, we reinforce a culture of innovation, build incremental efficiencies, compound our cost savings and reduce our environmental impacts.

And while we have experienced progress, we also know that we must always strive for continuous improvement. Being vigilant in everyday activities, whether on a drilling rig or in an office tower, enhances a culture of safety and responsibility. Despite our efforts, I am saddened to report that we experienced two contractor fatalities and several lost time injuries in 2006. The safety and security of employees, local communities and the environment is critically important and I believe we must continue to focus on ever-improving our safety practices.

As I conclude, let me take this opportunity to address the issue of global warming. Attention focused on this

issue continues to grow across North America and around the globe. We acknowledge global warming has been occurring and that CO₂ emissions are greenhouse gases (GHGs) which are linked to global warming. As a complement to our efforts on carbon capture and storage, our actions to achieve the lowest steam-oil ratio for in-situ bitumen extraction, and our employment of innovative technologies to improve operations, we are launching a new energy efficiency initiative to find and apply tangible and measurable reductions in energy use and emissions. Preliminary results of this initiative will be highlighted in our 2007 Corporate Responsibility Report.

Looking forward, stakeholders will continue to demand almost as much from EnCana as we demand of ourselves. Our expectations of success are high and, in order to achieve our goals, we will continue our efforts to tackle the issues that we've outlined in this report. We welcome and value stakeholder feedback and invite you to tell us what you think about our ongoing activities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Randy Eresman'.

Randy Eresman
President & Chief Executive Officer

Performance Summary

Economic (US\$ millions) ¹	2004	2005	2006
Revenues, net of royalties	10,491	14,573	16,399
Operating expenses	1,099	1,438	1,655
Capital expenditures	4,763	6,925	6,600
Procurement from aboriginal suppliers (C\$ millions)	110	120	135
Employee payroll and benefits	584	809	824
Community investment	11.7	17.1	20.2
Environmental ²			
Direct greenhouse gas emissions (ktonnes CO ₂ e)	5,239	5,469	5,924
Direct greenhouse gas emissions intensity (tonnes CO ₂ e/m ³ OE) ³	0.152	0.161	0.170
Total gas flared (10 ³ m ³ /yr) ⁴	75,965	110,446	109,780
Total gas vented (10 ³ m ³ /yr)	16,062	16,624	17,622
Reportable spills ⁵	242	205	219
Social			
Recordable injury frequency (employees and contractors) ⁶	1.17	1.34	1.22
Lost time injury frequency (employees and contractors) ⁶	0.27	0.35	0.35
Employee turnover (percent)	6.6	6.6	6.7
New business conduct investigations	39	18	35

1 Financial data is taken from the 2006 Annual Report and refers to continuing operations. Historical revenue numbers have been restated to move diluent costs from Revenue into Transportation and Selling. The result is an increase in both Revenue and Transportation for a net result of zero.

2 Environmental data are for Canada only, except reportable spills, which include data from all of our operations unless noted.

3 Direct emissions include all emissions generated during oil and natural gas exploration and production, except emissions associated with transportation activities. Direct emissions include fuels burned to generate onsite heat and electricity.

4 In late 2005 and again in 2006, operational upsets with recycle compressors at one of our operations resulted in intermittent flaring of gas produced with oil that is normally separated and re-injected. This is an interim situation we expect to have resolved in late 2007. For reporting purposes, we have included these volumes in our corporate number. However, the physical nature of this additional volume is different than what is typically reported. When this situation is resolved, we intend to separate these volumes for enhanced clarity.

5 Those that are required to be reported according to jurisdictional regulations.

6 Recordable and lost time injuries are as defined by CAPP and are as per 200,000 hours worked, the industry standard in Canada.

Our Approach to Reporting

This report is one way we explain to stakeholders what they can expect from our corporation — it highlights examples of practices, articulates commitments and reports our performance. This report illustrates how we identify and manage risks and opportunities for our staff, operating assets, reputation and the environment. This report also provides a statement of our corporate responsibility objectives and strategy, and offers an invitation to our stakeholders for further dialogue with EnCana.

Performance Indicators

Our Corporate Responsibility (CR) performance indicators were determined through a review of the Canadian Association of Petroleum Producers' (CAPP) Stewardship Program, the Global Reporting Initiative's (GRI) 2002 Sustainability Reporting Guidelines, as well as stakeholder and staff feedback.

CAPP's reporting framework and the Stewardship Initiative promote continuous improvement and transparent reporting of environmental, health, safety and social performance. EnCana is a Gold Level reporter under the Stewardship Initiative.

We are committed to continuous improvement of our corporate responsibility reporting and performance. In 2006, we developed and implemented reporting protocols to more consistently track and report our corporate responsibility performance.

Information in this report covers the activities of all EnCana's operating divisions, quantitatively, qualitatively, or both. This year compared to 2005, we have provided additional information on performance.

In order to build awareness, understanding, accountability and transparency, this report helps us to carry out the business of EnCana in a way that supports our corporate responsibility objectives.

Reporting Conventions

This report focuses on our performance data for three years, ending December 31, 2006 unless otherwise noted. The performance summary table at the front of this report and all financial information includes data for 2004, 2005 and 2006. Historical financial information for EnCana is available on our website. 

All financial data is reported in U.S. dollars and excludes discontinued operations, and operational data detailing production and reserves is reported on an after royalties basis unless otherwise noted. Please refer to our 2006 Annual Report for detailed information on our financial performance.

Data measurement techniques and bases for calculations, if not obvious, are included with the data.

Target Audience

The contents of this report, and supporting information found on our website at  www.encana.com, are intended to provide information to all our stakeholders. This report has been prepared to proactively provide information to staff and external stakeholders, as well as respond to expectations from shareholders, regulators, environmental groups, advocacy organizations, academics and others with an interest in our corporate responsibility performance.



Following the release of our 2005 CR Report, we solicited feedback from many stakeholders. Focus groups with employees helped us understand their perspectives on the CR Report and their understanding of the company's values, policies and practices.

We think it commendable that EnCana is interested in gathering external impressions on the report to inform future reporting, as well as seek informed, external perceptions of EnCana's performance around corporate responsibility.

Pembina Corporate Consulting
The Pembina Institute

Continuous Improvements In Our Reporting Practices

To ensure we are meeting the information needs and expectations of our stakeholders, EnCana conducted an extensive feedback initiative following the release of our first stand-alone corporate responsibility report in 2006. This “look back and learning” process reflects EnCana’s standard practice of evaluation and our commitment to continuous improvement.

The look back process focused on key strengths and innovations, sought advice on needed improvements, examined ideas for communicating the report more effectively, and involved benchmarking against other companies in the oil and gas sector in Canada.

Our feedback was gathered from:

- EnCana staff;
- Commentary on last year’s report from mail and electronic submissions;
- EnCana’s 2006 Stakeholder Engagement Survey (*more information about this survey can be found on pages 8 and 9*);
- A contracted benchmark study and non-governmental organization (NGO) examination of EnCana’s reporting;
- Socially responsible investment analysts; and
- Think-tanks and business groups working in the area of corporate responsibility.

In this book, on our website and through other communication efforts, we have started to use this feedback to enhance our corporate responsibility reporting and performance improvement initiatives. We welcome your comments on the changes and on our reporting in general.

Third-Party Review and Assurance

As we continue to strengthen and evolve our corporate responsibility measurements and supporting information, we have again retained a team of sustainability reporting specialists from PricewaterhouseCoopers (PwC) to review our 2006 performance measurements. Indicators presented in **bold** have been reviewed. (*Please see PwC’s Reviewer’s Report on page 41*).



For EnCana, corporate responsibility is about identifying, managing and mitigating risk and capitalizing on opportunities. We manage our risks and leverage opportunities in order to address the concerns of our stakeholders and help build better internal processes, performance, reputation, trust and, ultimately, long-term shareholder value.

— **Barb Zach**

Vice-President

Corporate Responsibility and Environment, Health & Safety (CR and EH&S)

Corporate Responsibility Management

EnCana's leaders will ensure that appropriate structures are in place to effectively identify, monitor, and manage corporate responsibility issues and performance relevant to EnCana's business.

— EnCana's Corporate Responsibility Policy

Our Corporate Responsibility Policy lays the foundation for how we operate and what we would like to achieve in eight areas of practice — leadership commitment, sustainable value creation, governance and business practices, human rights, labour practices, environment, health and safety, stakeholder engagement, and socio-economic and community development. The policy is our touchstone. We refer to it when making decisions. We assess our performance against it. You will see excerpts of specific commitments found in our Corporate Responsibility Policy throughout this report.

Our Corporate Responsibility Policy commits us to conducting our business ethically, legally, and in a manner that is fiscally, environmentally, and socially responsible. For more information on the policy, visit www.encana.com.

Governance and Responsibilities

The Corporate Responsibility, Environment, Health & Safety (CREH&S) Committee of the Board of Directors is responsible to review, report on and make recommendations to the Board on EnCana's policies, standards and practices with respect to corporate responsibility, including environment, occupational health, safety, security, overall business conduct, and ethics.

All members of the CREH&S Committee, as well as 13 of our 14 Board members, are independent. The CREH&S Committee is mandated to meet at least semi-annually. In 2006, the Committee met four times. The mandate of this and other Board Committees, as well as additional information about EnCana's commitment to corporate governance, can be found on our website www.encana.com.



2006 CREH&S Committee Members

Valerie Nielsen (Chair)
Michael Chernoff
Ralph Cunningham
Ken McCready
Dennis Sharp

EnCana is focused on creating long-term value by doing what we do best — developing unconventional natural gas and in-situ oilsands resources.

— 2006 EnCana Annual Report

EnCana also has a Corporate Responsibility Advisory Group composed of Executive Vice-Presidents from our operating divisions. This Committee meets three times a year to advise on corporate responsibility priorities for the company.

The strategic management of EnCana's corporate responsibility commitments is led by the Corporate Responsibility and Environment, Health & Safety (CR and EH&S) group within Corporate Relations. This group has a mandate to provide strategic support to EnCana's business units and leadership.

The day-to-day management of our corporate responsibility commitments, along with implementation of the resulting programs and policies, is led by the divisional business units and functional leaders of EnCana's operations and corporate groups, including EH&S, Community Relations, Aboriginal Relations, Human Resources and other staff.

EnCana fully complies with best practice governance guidelines published by the Canadian securities regulatory authorities, the provisions of the U.S. Sarbanes-Oxley Act (2002) (SOX), and the rules adopted by the U.S. Securities and Exchange Commission pursuant to SOX. We also comply with all applicable New York and Toronto stock exchange requirements.

EnCana's Investigations Practice is a procedure through which all incidents that potentially violate company policies or practices, or that are potential violations under the law, are properly reviewed and investigated. An Investigations Committee reviews and oversees any investigations.

Corporate Constitution

EnCana's Corporate Constitution reflects our commitment to benchmark practices in safety and environmental stewardship, ethical business conduct and community responsibility. It also states that we will consult, communicate and build capacity as we attempt to make a positive difference in the communities and countries where we operate.



An employee checking flow levels at our enhanced oil recovery operations near Weyburn, Saskatchewan.

Corporate Responsibility Policy

In alignment with the values and principles embodied in EnCana's Constitution, our Corporate Responsibility Policy commits us to conducting our business ethically, legally, and in a manner that is fiscally, environmentally and socially responsible, while delivering sustainable value and strong financial performance. It illustrates our Constitution in action and demonstrates its impact on decision-making.



Employees hook up seismic detonator near Three Hills, Alberta.

Business Conduct and Ethics Practice

As EnCana's Constitution and Corporate Responsibility Policy establish EnCana's commitment to conducting our business ethically and legally, our Business Conduct & Ethics Practice is used in identifying and managing ethical situations, and in making ethical business decisions that adhere to these commitments.

Adherence to the Corporate Constitution, Corporate Responsibility Policy, and Business Conduct & Ethics Practice is a condition of employment at EnCana. Regular sign off of the Corporate Responsibility Policy and the Business Conduct & Ethics Practice is mandatory.

Other mandatory policies include our Alcohol & Drug Policy, Information Management Policy, Non-Harassment Practice, and Policy on Disclosure, Confidentiality & Employee Trading.

Mechanisms are in place to ensure effective implementation of our Constitution and codes of conduct, policies and practices:

- Personal accountability for ethical business conduct is linked to employees' yearly performance objectives;
- A formal Investigations Committee reviews all complaints brought forward; and
- EnCana's Integrity Hotline provides an avenue for anyone to raise concerns anonymously.

Concerns are managed in accordance with our Investigations Practice. (See page 36 or our website for more information).

The EnCana Environmental Innovation Fund

Since 2004, our Environmental Innovation Fund has helped finance the development and demonstration of new technologies that improve environmental performance associated with consuming or producing energy, and that help us to meet our corporate responsibility commitments. It is our hope the projects and technologies we support through the Fund lead to better and more effective ways to produce energy for people.

The Fund supports innovation to:

- Reduce air emissions, operational waste and our physical footprint;
- Conserve and recycle water, energy and materials;
- Protect and reclaim groundwater, land and habitat; and
- Develop new, renewable energy technologies.

These innovations can be brought to EnCana for assessment by outside parties or they may originate inside the company. We recognize the challenges faced by entrepreneurs as they attempt to develop and commercialize new technologies.

The fund has, to date, invested C\$15 million in 11 projects. More information on the work of our Environmental Innovation Fund can be found on our corporate website. 



Stakeholder Engagement

To meet the principles defined in our Constitution and Corporate Responsibility Policy, it is essential our divisions have a consistent, yet flexible, stakeholder engagement strategy in place. EnCana developed a Stakeholder Engagement Guide to provide guidance to employees and contractors on stakeholder engagement practices and accountabilities. It is designed to ensure our approach to stakeholder engagement satisfies stakeholder expectations and complies with emerging drivers and standards. Throughout this report, we indicate situations where stakeholder input has helped to focus our programs and efforts.



Listening to more than 7,000 Stakeholders

In order to fully understand our stakeholders' issues and to appropriately develop enhanced programs to respond to them, EnCana embarked on one of the largest stakeholder surveys ever completed in the oil and gas industry in North America. Our 2006 Stakeholder Engagement Survey took six months to complete and involved more than 7,000 telephone and personal interviews. Conducted by an independent consulting firm, the survey determined stakeholder knowledge of EnCana operations, perceptions of operational and social conduct and our company's approach to sustainable and responsible operations.

Due to the multi-faceted nature of EnCana's activities, there are many organizations and individuals that are affected by our business and who affect our business.

Our stakeholders include our shareholders, land-owners, employees, communities, Aboriginal Peoples, private sector partners and competitors, local agencies, regional and national government agencies, regulators, media, multi-lateral organizations, and civil society organizations such as

I am pleased to see that a company is even trying to solicit public input. That speaks volumes.

Survey participant — **Texas local government**

Survey Structure

- Six-month process
- Survey conducted by independent research firm
- More than 7,000 separate telephone and personal interviews

The majority of respondents said EnCana has a positive impact on the economy, manages our environmental impacts and is in compliance with regulatory requirements. EnCana staff is credited with being responsive and professional. Respondents recognized our financial contributions to and involvement with communities. The results show that most respondents believe EnCana is living up to the commitments we make in our Corporate Responsibility Policy.

I would commend EnCana on having this survey done because it shows they care, that they're interested and that they want to be a good corporate citizen.

Survey participant — **Clearwater local government**



environmental non-government organizations (ENGOS) and community-based organizations.

Our survey sample included stakeholders from across these groups.

Purpose of Survey

- Determine stakeholders' knowledge of EnCana and perception of our reputation;
- Understand external perceptions of our approaches to Corporate Responsibility;
- Fulfill an increasing demand for external validation by the non-financial reporting community;
- Provide a benchmark of above-ground risk management and a means for analyzing our performance; and
- Identify opportunities and strategic gaps in approach to above-ground issues.

Results of Survey

The results also highlighted areas where respondents felt that EnCana could improve:

- The manner in which our contractors adhere to EnCana standards;
- The consistent application of operating practices from one operating area to another;

- Follow-through on commitments;
- Communication practices — including proactively providing information about current and long-term operational programs; and
- Water management.

Results from this survey confirmed that many EnCana programs and initiatives are focused on the right areas. EnCana will continue working to improve our programs and enhance relationships with stakeholders.

Actions Underway/Next Steps

- Using survey data to support the direction, development and implementation of innovative programs to address identified risks;
- Developing division-specific action plans to address specific concerns;
- Developing a water use strategy;
- Sharing survey results with stakeholders;
- Addressing high-level concerns and issues raised in this Corporate Responsibility Report; and
- Following up with a targeted survey in 2008 will determine if steps we have taken have been effective.

According to the survey company, any rating above "4" is considered to be a very good ranking.

Implementing our Corporate Responsibility Policy: How Stakeholders Scored Us



Forward-looking Statements

In the interest of providing EnCana shareholders and potential investors with information regarding the company and our subsidiaries, including management's assessment of EnCana's and our subsidiaries' future plans and operations, certain statements contained in this report constitute forward-looking statements or information (collectively referred to herein as "forward-looking statements") within the meaning of the "safe harbour" provisions of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements in this report include, but are not limited to, statements with respect to: future economic performance; anticipated cash flows; the anticipated success and estimates associated with the Weyburn project; the characteristics of resource plays and the success of EnCana's resource play strategy; the anticipated resolution of certain issues associated with flared and vented gas; anticipated efforts to mitigate GHG and other emissions; anticipated technological developments and the success thereof (including solvent-assisted SAGD); projected dividends which may be paid to common shareholders for 2007; anticipated purchases pursuant to the company's Normal Course Issuer Bid and the source of funding therefor; and anticipated currency exchange rates for 2007. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, volatility of and assumptions regarding oil and gas prices; assumptions based upon EnCana's current guidance; fluctuations in currency and interest rates; product supply and demand; market competition; risks inherent in the company's and our subsidiaries' marketing operations, including credit risks; imprecision of reserve estimates and estimates of recoverable quantities of oil, bitumen, natural gas and liquids from resource plays and other sources not currently classified as proved; the company's and our subsidiaries' ability to replace and expand oil and gas reserves; the ability of the company and ConocoPhillips to successfully manage and operate the integrated North American heavy oil business and the ability of the parties to obtain necessary regulatory approvals; refining and marketing margins; potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; potential failure of new products to achieve acceptance in the market; unexpected cost increases or technical difficulties in constructing or modifying manufacturing or refining facilities; unexpected difficulties in manufacturing, transporting or refining synthetic crude oil; risks associated with technology; the company's ability to generate sufficient cash flow from operations to meet our current and future obligations; the company's ability to access external sources of debt and equity capital; the timing and the costs of well and pipeline construction; the company's and our subsidiaries' ability to secure adequate product transportation; changes in environmental and other regulations or the interpretations of such regulations; political and economic conditions in the countries in which the company and our subsidiaries operate; the risk of international war, hostilities, civil insurrection and instability affecting countries in which the company and our subsidiaries operate and terrorist threats; risks associated with existing and potential future lawsuits and regulatory actions made against the company and our subsidiaries; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by EnCana. Statements relating to "reserves" or "resources" or "resource potential" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future. Although EnCana believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the forward-looking statements contained in this report are made as of the date of this report and, except as required by law, EnCana does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.

Advisories



Cash Flow Certain measures in this report, such as cash flow, do not have any standardized meaning as prescribed by Canadian generally accepted accounting principles (GAAP). Cash flow measures are considered non-GAAP but are commonly used in the oil and gas industry to assist management and investors in measuring the company's ability to finance capital programs and meet financial obligations. The calculation of cash flow is disclosed in the Consolidated Financial Statements of EnCana contained in the corporation's 2006 Annual Report, which is available on the corporation's website at www.encana.com.

Crude Oil, Natural Gas Liquids and Natural Gas Conversions In this report, certain crude oil and natural gas liquids (NGLs) volumes have been converted to millions of cubic feet equivalent (MMcfe) or thousands of cubic feet equivalent (Mcf) on the basis of one barrel (bbl) to six thousand cubic feet (Mcf). Also, certain natural gas volumes have been converted to barrels of oil equivalent (BOE), thousands of BOE (MBOE) or millions of BOE (MMBOE) on the same basis. MMcfe, Mcfe, BOE, MBOE and MMBOE may be misleading, particularly if used in isolation. A conversion ratio of one bbl to six Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent value equivalency at the wellhead.

Corporate Entities This report focuses on our performance for the four years ending December 31, 2006. For convenience, references in this report to "EnCana", the "company", "we", "us", "our" and similar references may, where applicable, refer only to or include any relevant direct and indirect subsidiary corporations and partnerships (each a "Subsidiary" or if more than one, "Subsidiaries") and the assets, activities and initiatives thereof. References to financial results of operations refer to the consolidated financial results of EnCana Corporation and our Subsidiaries, taken as a whole, except where otherwise noted or the context otherwise implies. All financial data are reported in U.S. dollars and operational data are reported on an after royalties basis, unless otherwise noted.



Our CR Commitments in Action	11
Impact on Community Stakeholders	12
Water Management	17
Air Quality, Emissions and Energy Efficiency	20
Land Management and Biodiversity	26
Workforce Health, Safety and Sustainability	29

Partnerships between landowners and EnCana have many benefits, such as working together to reclaim well sites quickly so the land remains productive. We are also collaborating on wildlife studies to protect habitat, which is important to the future of all of us in Wyoming.

— **Rob Hendry**

Rancher, Clear Creek Cattle Co.

Freemont County, Wyoming

Our CR Commitments in Action



An EnCana reclamation specialist shows us the wooden mats we use to protect surface land area at drill sites in Jonah, Wyoming. You can read more about our land management activities on pages 26-28.

Through our accumulated experiences and stakeholder interactions, our staff have always had an idea of what areas we need to pay particular attention to — the safety and well-being of our employees, the fair and consistent engagement of our stakeholders, and environmental matters in our operations. These were confirmed in 2006 through our Stakeholder Engagement Survey.

What tangible actions are we taking to apply our Corporate Responsibility Policies in the real world? What do our actions mean to the people whose lives we touch every day — our employees, our partners and our neighbours in the hundreds of communities in which we operate? What are we doing in our operating areas to lower our impact on the environment?

In the following pages, we shine the spotlight on innovation and five areas of strategic focus: communities, water, air emissions, land and biodiversity, and the health and safety of our employees and contractors.

Helping us lower our energy costs has resulted in substantial savings for the district and that translates into more money for educational programs and teacher salaries. We would not have been able to undertake a project of this scope without EnCana's partnership. (See story page 16).

Dr. Steven McKee
Superintendent of Schools
Garfield County School District 16, Colorado

Impact on Community Stakeholders

EnCana will engage stakeholders clearly, honestly, and respectfully.

— EnCana's Corporate Responsibility Policy

With the oil and gas industry flourishing, many organizations are swept away with their focus on profits, neglecting other considerations. EnCana assumed a leadership role in taking responsibility for the side effects of the industry.

Barb Smith

Mayor

Village of Pouce-Coupe, British Columbia

EnCana's large portfolio of long-life, low-decline resource plays means we have a long-term commitment to the many regions and hundreds of communities in which we operate. We understand that the needs of these communities, and the interests of residents and stakeholders with whom we engage on a daily basis, are constantly evolving.

EnCana views community support as critical to operational success. Community concerns include traffic, noise, dust, transient workers, environmental impacts and the limitations of existing infrastructure. We work to understand local concerns and to mutually develop solutions.

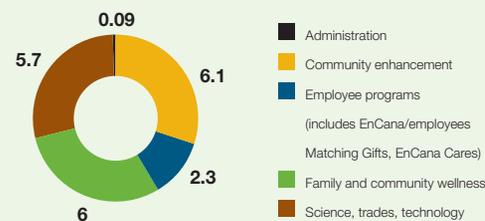
We believe in the importance of community input on our proposed or existing activities — through public consultation in accordance with industry and regulatory guidelines, and through our own efforts to engage with nearby residents, landowners and aboriginal communities.

In our existing operations, we continue the dialogue through frequent meetings and other means of collaboration. We are focused on continuous and lasting improvements — through regular joint reviews of our activities in each community, and by asking landowners, residents, communities and other stakeholders for their feedback on how we can improve as a corporate neighbour.

We strive to be a good citizen by understanding the communities' unique needs, looking for innovative ways to partner with community agencies or organizations, and making investments in local opportunities that will truly make a positive, long-lasting difference.

Community Investment in 2006

Canada and U.S. (\$ millions)



2006 Community Investments in the U.S. and Canada: \$20.19 million

EnCana emphasizes collaborative, consultative, and partnership approaches in our community investment and programs, recognizing that no corporation is solely responsible for changing the fundamental economic, environmental, and social situation in a community or country.

— EnCana's Corporate Responsibility Policy



Pictured with a member of EnCana's Community Relations team, Barb Smith (left), Mayor of Pouce Coupe, British Columbia has seen first-hand the positive impact our Courtesy Matters™ program has had on her community.

Demonstrating that *Courtesy Matters*™

One of the many things we learned from the stakeholder survey conducted in 2006 (see story on pages 8 and 9) was the need for greater alignment between EnCana and our contractors. About 90 percent of the people who work for EnCana in field operations are contractors. They are as much ambassadors for EnCana as our own employees and their behaviour directly affects communities.

The survey identified many concerns in the communities where we operate — traffic, noise, dust and garbage — and showed that our contractors' behaviour regarding these issues was not always aligned with what EnCana was saying or what was expected of us.

In response to the survey results, we piloted a new community relations program in 2006 called *Courtesy Matters*™ — in Pouce Coupe, Tomslake and Dawson Creek, in northeast British Columbia.

Courtesy Matters™ is a partnership among EnCana, our local contractors, employees and the community. The program makes community relations everybody's business by emphasizing the shared responsibility contractors and employees have in demonstrating respect and courtesy to communities.

The pilot program was wide-ranging and we involved contractors from the start:

- We worked with local municipal officials to identify preferred travel routes to avoid residences where possible. The routes were clearly marked by *Courtesy Matters*™ signs, and contractors and employees were provided preferred route maps;
- To curtail dust, EnCana and our contractors made a commitment to drive more slowly, as well as employ dust suppression (spraying water) in front of residences and at other strategic points on gravel roads for large equipment moves; and
- EnCana and our contractors encouraged staff to avoid littering, to pick up garbage at project sites and to participate in the Adopt-A-Highway program to clean up local roads. As a result, more than 80 EnCana staff and community members joined forces to clean up 30 kilometres of highway in the area.

After introducing the program, we surveyed the community and the residents told us *Courtesy Matters*™ is making a difference. We believe the four-month pilot program was successful and we are now planning to introduce the program to other communities in Canada and the United States.

Employee Giving

- We encourage all employees to make a difference in their communities through an annual giving campaign, a Matching Gifts program and employee volunteer programs;
- We support Canadian and U.S. employee donations through EnCana Cares™, an employee-driven charitable foundation that manages employee donations to registered charities. EnCana matches all employee donations dollar-for-dollar, to a maximum of C\$25,000 per employee per year; 2006 was the first year this innovative program was launched in our U.S. operations. With EnCana's match, more than \$4 million was raised for employee supported charities in Canada and the U.S.; and
- EnCana is also a signatory of the Imagine Canada Corporate Citizenship Commitment, a national program to promote public and corporate giving.

Olds College is working in partnership with some of Alberta's key industry organizations to raise the professionalism and practice of Alberta's surface land agent sector. EnCana's commitment allows us to take the first step toward our vision of providing national class land agent training. (see story page 15).

Joel Gingrich

Chair, Olds College School of Land Sciences

Through our activities, EnCana will assist in local capacity building and develop mutually beneficial relationships to make a positive difference in the communities and regions where we operate.

— EnCana's Corporate Responsibility Policy

Building Strong Ties with Aboriginal Communities

EnCana provides aboriginal awareness training to hundreds of employees and contractors each year. As important, we work with approximately 60 aboriginal communities and organizations in North America to build strong, mutually beneficial, long-term relationships. Through ongoing consultation with aboriginal leaders, we learned that aboriginal communities are eager to participate as entrepreneurs in regional resource development. We responded by supporting aboriginal businesses and supplying contracts to aboriginal-owned firms.



Through our support to programs such as 4-H, EnCana is fulfilling our commitment to preserve and strengthen rural heritage.

For example:

- EnCana and the Cold Lake First Nation have jointly developed a number of business ventures to support our operations in northeast Alberta. Band-owned businesses are EnCana's local suppliers of camps and catering, road maintenance, fuel, and medical, courier and security services; and
- EnCana has led our industry in creating drilling rig opportunities for aboriginal groups. In 2001, we became the first company to seek aboriginal equity involvement in drilling rigs.



EnCana supports education and trades training not only through corporate funding, but, also by providing hands-on learning opportunities by bringing students, such as these from Northern Canada, on tours of our operations.

To date, we have been involved in 12 aboriginal rig opportunities, providing long-term commitments with aboriginal-owned drilling rig companies:

- In 2006, EnCana signed a contract with Chipewyan Prairie First Nation's 51 percent-owned company, Log Tech Inc., to build a 15,400-square-foot building at the 600-person work camp for our Christina Lake (SAGD) operations in northeast Alberta. The building was officially opened in December 2006. The contract provided advanced training and employment for many First Nations and Métis in the surrounding area; and
- In the U.S., a Native American, who is also a former EnCana employee, acquired a startup business loan provided to entrepreneurs living on the Wind River Indian Reservation. Fulfilling his dream, this man now owns his own company and contracts with EnCana in the Wind River Basin.

We are also working to advance the participation of Métis workers in our industry:

- In 2006, we introduced an innovative educational program that, over the next three years, will train 100 Métis as drilling rig technicians to help fill the growing demand for rig workers in northeast British Columbia; and
- Following a pilot program that achieved a 100 percent graduation rate and a 90 percent employment rate, we officially launched the Pre-Employment Floorman (Roughneck) Program through a partnership between EnCana and the Métis Nation British Columbia.



Advancing Community Interests

EnCana takes a leadership role in engaging our stakeholders and working with communities to understand and support their needs.

For example, in 2005 and 2006, we introduced a new, proactive communication program in several operating areas in North America to encourage mutual understanding. Through this program, we meet formally with local governments once a year, brief them about our annual plans, explain the basics about the oil and gas industry, and respond to their concerns.

As part of our commitment to help develop a sustainable, skilled workforce by promoting an interest in science, trades and technology, EnCana supported several colleges and universities in Canada and the United States, including:

- A \$7 million donation to the University of Wyoming for the School of Energy Resources and its new petroleum engineering research lab;
- A \$2 million gift over five years to the Colorado School of Mines to support construction of a new petroleum engineering building;
- Support for the land agent program at Olds College, in Olds, Alberta, with a C\$1.05 million investment. The donation will support the creation of a new land agent program (Chair and scholarships) for land science students with 4-H experience; and

- EnCana provided funding to the Garfield County School District 16 in western Colorado which, in addition to a government loan, allowed the district to improve heating and lighting systems in its buildings. Now in its second year, the program has resulted in a 71 percent reduction in natural gas consumption and an annual cost savings to the district of more than \$100,000.

EnCana's partnership with the World Professional Chuckwagon Association (WPCA) and 4-H brings together two rural-based organizations and helps EnCana meet our commitment to preserve and strengthen rural heritage. Through a mentorship program, 4-H members join chuckwagon teams to learn about the sport by tending the horses, cleaning and maintaining equipment, and being a member of the chuckwagon team.

As well, EnCana contributed C\$1 million in 2006 for a new air-ambulance base in Grande Prairie, Alberta to serve northwest Alberta and northeast British Columbia. The air ambulance is operated by the Alberta Shock Trauma Air Rescue Society (STARS), a non-profit organization providing an emergency air medical system to critically ill and injured patients. The new STARS base in Grande Prairie will serve remote industrial and recreational users in the region, supporting not only the oil and gas industry but anyone in need of emergency medical transport.

EnCana invests one percent of our average pre-tax domestic profits in charitable and non-profit initiatives.

Deep Panuke:

Enhancing Local Manufacturing Capability

Collaborative and constructive relationships with governments in areas where we operate are key to developing our business.

As part of our commitment to develop the Deep Panuke natural gas project, we entered into a framework agreement called an Offshore Strategic Energy Agreement (OSEA), which was signed between EnCana and the Province of Nova Scotia in June 2006.

In the OSEA, our commitments include financial and human resources to help develop manufacturing capabilities for onshore drilling rigs in Nova Scotia. We pledged to work with the province, industry groups and suppliers to support the initiative through the contribution of up to C\$1 million per rig for each of the first five rigs manufactured.

To kick-start the initiative, we hosted three Canadian land contractors on a manufacturing tour of Nova Scotia in October 2006 in which 12 Nova Scotia manufacturers were involved. Two land rig contractors subsequently signed deals with three Nova Scotia manufacturers to build land rig components in the province.

This initiative will help Nova Scotia companies develop new markets for their services and will help land rig contractors develop access to new equipment suppliers. EnCana also benefits by bringing buyers and suppliers together to fulfil our commitment as a responsible operator in Nova Scotia.

Our Stakeholders in France

In France, we interact with various stakeholders, including national and local government representatives, community members and other interested parties. We have developed a strong reputation for collaboration from the outset of our operations in that country. Our ability to apply learnings from other regulatory processes both internationally and domestically has worked well for us in France.

For example, we work with regional water boards for our water contracts and have set up interactive systems to manage our water requirements with their ongoing needs so as not to adversely affect any water supply. As well, the community meetings we hold in France are well attended; stakeholder feedback confirms that EnCana is transparent and that our communications efforts are appreciated by the community.

Water Management



EnCana uses water for fracturing, drilling wells, power generation, steam generation and dust suppression. We are developing enhanced methods for collecting water use data to provide future reporting on our water use and conservation activities.



Of all the environmental issues mentioned in our Stakeholder Engagement Survey, water management garnered the most comments and clearly resides as a top concern for our stakeholders.

EnCana recognizes that water is a valuable resource to be managed responsibly for the good of the individuals, communities and regions where we work, for agriculture, industry, and the ecosystem as a whole.

Because water plays a vital role in many of the processes utilized to produce oil and gas, water management is, naturally, a critical aspect of our operations. We believe a responsible and efficient approach to the sourcing, use and transport of water, and the disposal of waste water in our operations, are keys to both our success and the sustainability of the communities in which we operate.

 We are striving for more efficient water use in our operations through sound and innovative water management practices:

In all our operations, we will strive to make efficient use of resources and minimize our environmental footprint.

— EnCana's Corporate Responsibility Policy

- Reducing the use of freshwater by using alternative sources, such as saline groundwater (i.e. not potable) or the saline water produced with conventional oil and gas production;
- Recycling and re-using water wherever possible;
- Ensuring our operations do not contaminate freshwater resources and that water used in, or produced from, our operations is disposed of responsibly and in line with the regulators' requirements;
- Working with landowners and communities to protect freshwater aquifers and water wells from damage and contamination;
- Researching and developing alternative processes that minimize use of water by EnCana and the oil and gas industry as a whole; and
- Engaging in research and knowledge-sharing with the public, research institutions, government and industry to enhance our understanding and conservation of groundwater, and to develop best practices.

Water is an important environmental issue for our stakeholders. As an industry leader, EnCana believes it is important to participate in initiatives to improve the responsible use and management of water.

Marc Dubord

EnCana Environmental Advisor and Hydrogeologist

Member, Water Innovation Planning Committee for Petroleum Technology Alliance of Canada and Water Task Group for the Canadian Association of Petroleum Producers



An employee conducts installation and maintenance on pipes at our Steeprock gas plant in British Columbia.

Water Challenges with Oilsands Operations

EnCana is a leader in the development of in-situ steam assisted gravity drainage (SAGD) for the extraction of bitumen. Our focus extends to the type of water we use to produce the steam and how we manage that water.

Our oilsands SAGD operations in northeast Alberta create steam from saline make-up water, recycled produced water and a small amount of new freshwater. Saline water is not fit for human, livestock or wildlife consumption and some is difficult to use or treat. Process waste streams are disposed down wells below the oil zone so that it will not interfere with surface aquifers.

The Alberta Energy and Utilities Board (EUB), the provincial energy-industry regulator, has recently focused industry on minimizing freshwater use and maximizing re-use of produced water in oilsands operations. In 2005, EnCana began converting all our operating, commercial SAGD facilities to use saline water as our primary make-up supply, reducing requirements for freshwater use.

In addition to using saline make-up water, EnCana is evaluating technologies to recycle a portion of other non-potable waste streams, which would further reduce the volume of make-up water required.

Technology is helping EnCana realize the operating and financial benefits of having one of the lowest steam-oil ratios in the industry. As a measure of SAGD operational efficiency, the ratio compares how many barrels of steam are required to produce

each barrel of oil. We have achieved industry-leading efficiency through a combination of our technological development, reservoir quality, well design and operational experience. Our low steam-oil ratio means we use less water for every barrel of oil produced when compared to our competitors with similar facilities. A lower steam-oil ratio also leads to lower fuel gas consumption (for heating to turn water into steam), resulting in lower GHG emissions and lower operating costs.

Recycling Fracturing Water in Alberta

Every year, EnCana stimulates, or fractures, thousands of wells. Depending on the well, fracturing can require anywhere from 20 to 200 cubic metres of freshwater for mixing with fracturing fluids and sand.

Our business units in southeast Alberta have taken the lead in developing new fracturing practices so that, today, they are recycling most of the water they use — for example, in Medicine Hat, they have been able to reduce usage by approximately 100,000 cubic metres a year.

We are using the recycled water for fracturing up to three additional times and, starting in 2006, we have been providing our drilling teams with the recycled water for use instead of freshwater in drilling wells. Also in 2006, we began investigating the use of produced water for fracturing. Our goal is to recycle as much as possible and substantially reduce our water use.

Produced Water

Produced water is mainly salty water, which comes from the process of lifting oil and gas from water-bearing formations — typically ancient sea or lake beds. As oil and gas is lifted to the surface, this water is also brought up, or produced.

Fracturing or ‘Fracing’

Fracturing or ‘fracing’ is a process used by the oil and gas industry to stimulate underground formations to improve production rates. For example, shallow gas wells, which produce gas from sands and shales, are fractured by injecting fluids, including water, and sand at high pressures to fracture the rock. At the end of the treatment, the sand props open the fracture, which improves gas flow to the well. In coalbed methane (CBM) wells, gaseous nitrogen is injected at high pressure into the formation. The treatment connects naturally occurring fractures and allows gas to flow at higher rates into the well.

Testing Water Wells in Areas of Coalbed Methane Development

EnCana is a leading CBM producer in Canada. When we began community consultations for CBM operations in Alberta’s densely populated rural farmlands east of Calgary, we became aware of stakeholder perceptions about CBM development. Based on reports about early CBM development by other operators in Wyoming, some residents expected flooded prairie lands, depleted aquifers and ruined crops arising from saline produced water.

However, the CBM drilling we have done to date in south-central Alberta generates very little produced water and, therefore, we have minimal disposal issues that have led to environmental problems in CBM operations elsewhere.

To enhance public confidence in our CBM development and in consultation with local stakeholders, we voluntarily adopted the practice of testing all water wells within a 600-metre radius of our CBM drilling locations. Subsequently, the EUB decided to require all coalbed methane producers to test water wells in certain areas. Our geologists and hydrogeologists discuss results with landowners and advise them on water quality and well design. In 2006, we tested hundreds of water wells associated with drilling locations. No issues directly related to our CBM development have been identified to date, although, in 2007, some tests have found naturally occurring methane in well water.

In the United States, we are voluntarily conducting baseline sampling of domestic water wells at a radius, in many areas, of up to 0.8 kilometres (0.5 miles) from drilling locations.

Saving Water Resources at Our U.S. Operations

Our USA Division has multiple initiatives in place and in development to conserve and recycle water.

For example, at our Mamm Creek field in western Colorado, a water treatment and distribution system in place since 2003 enables us to recycle up to 95 percent of the water we use. As a result, we have reduced the amount of water we draw from the Colorado River by about 75 percent. We transport the water used in drilling, fracturing and completions from our Mamm Creek operations through a 64-kilometre (40-mile) underground pipeline to a treatment facility on Hunter Mesa, Colorado, where it is readied for re-use. In addition to water savings, recycling efforts reduce operating costs, our water-truck traffic and the associated dust and noise.

At the Jonah field in Wyoming, the water produced from our wells is collected in tanks at production locations and trucked to a central storage facility, where it is filtered. We then use that water for fracturing. The fracturing water flows back to a reserve pit, or tank, where it is again collected and trucked to a holding pond at the Jonah field. The water is treated once more and then re-used for drilling operations. As a result, we re-use about 85 percent of our produced water for fracturing wells, with the balance eventually going to a disposal facility.

Air Quality, Emissions and Energy Efficiency

We will strive to reduce our air emissions intensity and increase our energy efficiency.

— EnCana's Corporate Responsibility Policy

EnCana believes there is a real need to address global warming and reduce emissions from energy use — from wellhead production through to consumer use. GHG emissions will continue to be a significant challenge for years to come and we all have a part to play. We maintain the best solution will be one that harnesses technology.

We are encouraged by, and supportive of, provincial, state and federal governments' increasing attention toward this important issue as they develop a regulatory framework. We will continue to provide advice and assistance to government in this regard. As well, we will persevere with our own internal actions to contribute solutions to this global challenge and prepare our operations for success in a carbon-constrained future.

EnCana is committed to finding ways to reduce our GHG emissions. Currently, we are addressing our GHG intensity (emissions per unit of production) through efficiency measures, and mitigating a portion of our absolute emissions through carbon capture and storage.

We are one of North America's largest producers of natural gas — one of the cleanest burning fossil fuels (our portfolio is 78 percent gas-weighted). We believe we have an opportunity to help satisfy the growing North American demand for energy by supplying a cleaner burning transition fuel while new technologies emerge and renewable energy markets develop. In addition to our natural gas assets, we also have high quality in-situ oilsands assets and are able to harness our technical expertise in ways that allow us to maintain the most energy efficient oilsands production in the industry.

As well, we are recognized as an industry leader in the geological storage (sequestration) of carbon dioxide (CO₂). We view CO₂ sequestration as a viable approach to achieve GHG emissions reductions (*see story on page 23*). We believe innovative thinking and technology are the best ways for EnCana to reduce our GHG intensity. Our emissions management system tracks our emissions, allowing us to provide data that can be audited.

“Our focus going forward is ... to give even greater priority to efforts that can bring about measurable reductions in energy use and related emissions.”

— Randy Eresman, President & CEO



Solar panels are used to run the control systems (SCADA) on observation wells at our Christina Lake oilsands operations.

EnCana's Canadian GHG emissions intensity is approximately 22 percent below the national industry benchmark.

EnCana's Energy Efficiency Initiative

In the past, EnCana has encouraged responsible energy use through various company initiatives — from local operations to projects supported through our Environmental Innovation Fund.

We believe we can do more — with even greater focus on energy efficiency opportunities — both at work and at home.

Early in 2007, we launched our Energy Efficiency Initiative, which is designed to achieve tangible and measurable reductions in energy use and related GHG emissions, inside and outside the company.

Through this initiative, we are taking a multi-pronged approach to energy conservation:

Operational Efficiency: We are challenging each of our business units and our suppliers to bring ideas forward that demonstrate real reductions in energy use to lower our production costs, improve our environmental performance and reduce GHG emissions. We have created a budget to accelerate energy efficiency improvements at EnCana facilities. Starting in 2007, we will conduct internal energy assessments to determine efficiency improvement opportunities.

Employees Take Action: We are also encouraging employees to reduce their energy consumption at work and at home. In 2007, EnCana will initiate an employee rebate program focused on energy efficiency in the home — for example, lighting and more efficient appliances.

Engage the Community: We are sponsoring community initiatives that encourage responsible energy use and the reduction of GHG emissions.



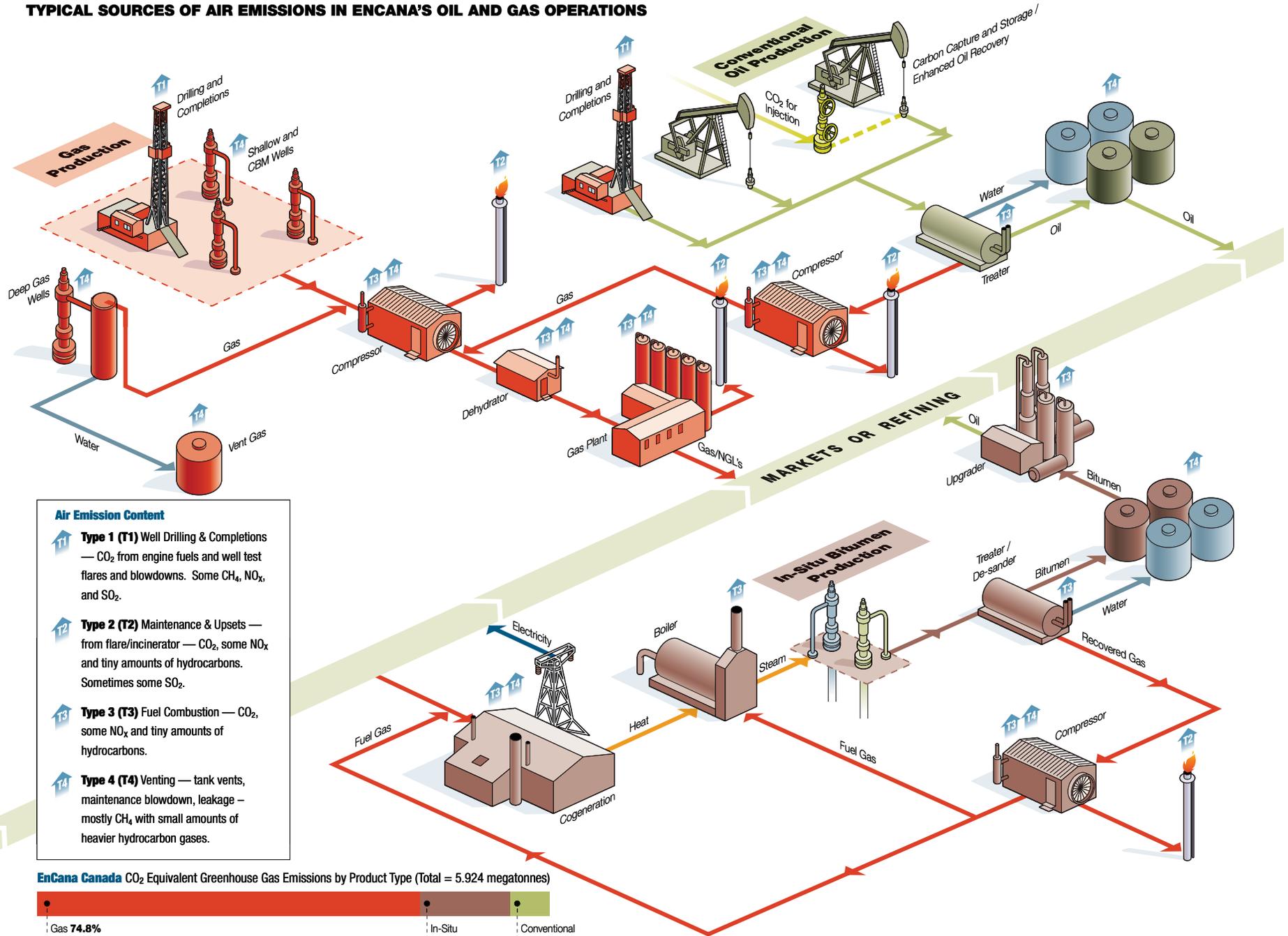
Building a Better Light Bulb

We are a key funder of Ottawa-based Group IV Semiconductor Inc., a front-runner in the race to develop a next-generation light bulb — long-lasting semiconductor devices that have potential to generate light up to 10 times more efficiently than conventional light bulbs and much more economically than today's expensive LED devices.

The incandescent light bulb invented 130 years ago is notoriously inefficient. Almost 95 percent of the energy used to light a bulb is wasted as heat and, in some areas of the world, this heat has to be offset by cooling. National, provincial and state governments around the world are now considering legislation to either ban incandescent light bulbs completely or encourage alternatives as a way to reduce GHG emissions and promote energy efficiency.

Group IV is working on an all-silicon, solid-state solution that will produce light using semiconductors instead of gases or filaments. These semiconductors are basically the same materials used to make the chip sets for today's electronic devices.

TYPICAL SOURCES OF AIR EMISSIONS IN ENCANA'S OIL AND GAS OPERATIONS



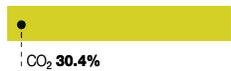
Air Emission Content

- Type 1 (T1) Well Drilling & Completions** — CO₂ from engine fuels and well test flares and blowdowns. Some CH₄, NO_x, and SO₂.
- Type 2 (T2) Maintenance & Upsets** — from flare/incinerator — CO₂, some NO_x and tiny amounts of hydrocarbons. Sometimes some SO₂.
- Type 3 (T3) Fuel Combustion** — CO₂, some NO_x and tiny amounts of hydrocarbons.
- Type 4 (T4) Venting** — tank vents, maintenance blowdown, leakage — mostly CH₄ with small amounts of heavier hydrocarbon gases.

EnCana Canada CO₂ Equivalent Greenhouse Gas Emissions by Product Type (Total = 5.924 megatonnes)



EnCana Canada CO₂ sequestered at Carbon Capture and Storage / Enhanced Oil Recovery operations (Total = 1.8 megatonnes)



The challenge of managing our GHG emissions will increase as our production increases and as the proportion of our production from higher energy-intensive extraction processes, such as oilsands, grows. The sources of our emissions are described in this illustration.



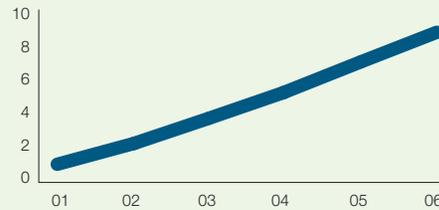
Addressing Greenhouse Gas Emissions through CO₂ Storage Underground

At the Weyburn oilfield, EnCana and our partners are demonstrating that oil production from a mature field can be enhanced in an environmentally responsible manner by utilizing and then sequestering (CO₂) that otherwise would have been vented to the atmosphere.

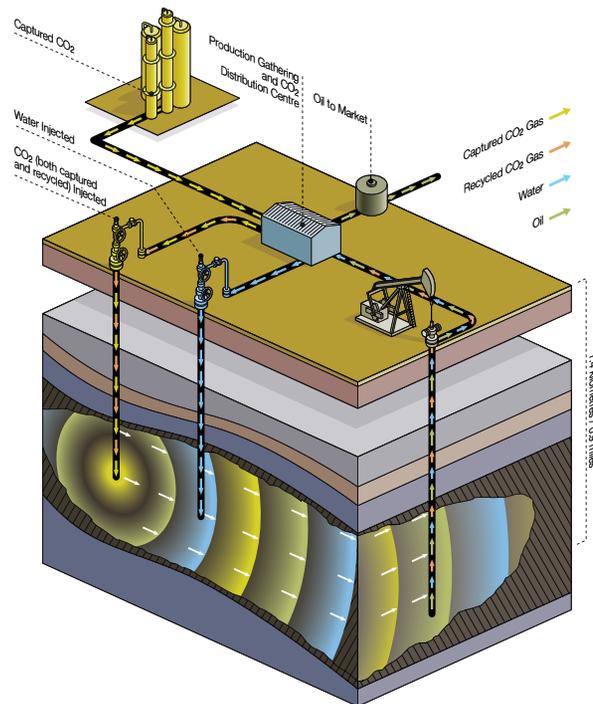
The Weyburn oilfield in southern Saskatchewan has been operating since 1954 but, by the 1990s, the field's production was in decline. To boost production at Weyburn, in 2000, EnCana launched what has become Canada's largest CO₂ enhanced oil recovery project. In doing so, EnCana has breathed new life into one of Canada's oldest oilfields through the use of leading-edge technology. Today, oil production from the field is at a 35-year high.

Since 2000, more than nine million tonnes of CO₂ has been injected at Weyburn. To put the amount of CO₂ sequestered into context, this would be equivalent to about 30 percent of EnCana's absolute Canadian emissions in 2006 and represents a 26 percent reduction in our emissions intensity. This is an example of the impact that the total amount of CO₂ sequestered at Weyburn would have on our emissions profile. However, for GHG accounting purposes, it has yet to be determined how much of this CO₂ will be attributed to EnCana.

Total Cumulative Volume CO₂ Sequestered (megatonnes per year)



CO₂ is captured from a coal gasification plant in Beulah, North Dakota, and transported to Weyburn via a 325-kilometre pipeline. At the Weyburn field, we inject the CO₂ into the ground. This increases reservoir pressure, promotes oil swelling and enables oil to move from rock pores and flow more readily toward production wells.



In conjunction with the enhanced oil recovery project, EnCana and more than 40 international partners from industry, government and academia initiated the Weyburn CO₂ Monitoring and Storage Project — the world's largest, full-scale, in-the-field scientific study into the feasibility of CO₂ injection and storage underground in depleted oil fields.

The eight-year, C\$80 million project, conducted under the auspices of the Paris-based International Energy Agency (IEA), has garnered worldwide attention and led international scientists to conclude that geological storage of CO₂ can be safe. They estimate that 99.8 percent of the CO₂ stored in the Weyburn field will remain underground for at least 5,000 years.

During the 30-year life of the project, EnCana expects to inject and store 30 million tonnes of CO₂ — the equivalent of taking 6.7 million cars off the road for one year.

Technical expertise and the application of technologies, like carbon capture and storage, have the potential to give EnCana a competitive advantage in a time of increasing concern and regulation of GHG. We are currently assessing this technology for application in other operations.

Lowering Emissions at Our Oilsands Operations

EnCana is investigating new ways to further lower GHG emissions from our oilsands operations in northeast Alberta.

We are starting from a position of strength relative to our peers — those who are extracting oil through open pit mining and those who, like us, are using SAGD technology.

EnCana is a leader in developing SAGD technology. Our steam-oil ratio, which is a measure of SAGD operational efficiency, is one of the lowest in the industry.

A low steam-oil ratio means we use less water for every barrel of oil produced when compared to our competitors with similar facilities. A lower steam-oil ratio also leads to lower fuel gas consumption (used to heat water into steam) resulting in lower GHG emissions and lower operating costs.

Our SAGD drilling rigs in Foster Creek are powered exclusively with electricity (our completion rigs are partially powered with electricity). This reduces the amounts of diesel fuel we use (and its associated emissions). We generate the electricity to power these rigs at a natural gas cogeneration plant in Foster Creek from which we also create the steam used to recover the oil. We sell excess power to the Alberta grid.

In 2006, we invested in several new operating techniques at our Christina Lake oilsands operation that have reduced and, in some cases completely eliminated, the need for flaring.

We also began piloting a solvent-assisted SAGD process at Christina Lake. Instead of injecting 100 percent steam, we are mixing the steam with a solvent that helps to liquefy the bitumen. We recover the solvent, separate it at the surface and re-use it. This new process holds the promise of reducing the amount of steam we need to recover oil, which, in turn, would further reduce the amount of natural gas we use to produce the steam and, consequently, lower air emissions.



View from the tower at our Foster Creek oilsands operation.



Taking Action to Reduce Air Emissions

At our Mamm Creek operations near Rifle, Colorado, we have reduced emissions by 30 percent by adding 38 combustors to condensate tanks.

Technology plays a critical role in addressing the emissions challenge. EnCana is constantly looking for ways to increase our energy efficiency and reduce our emissions intensity (emissions/unit of production). Following are some of the initiatives we took in 2006 to reduce air emissions at our operations:

- Replacement of flare stacks with incinerators or Clean Enclosed Burners in environmentally sensitive areas. EnCana has applied technologies to reduce flaring and venting by 77 percent since 1995;
- The injection of acid gas and formation CO₂ into geological reservoirs at the Wayne Rosedale gas plant and other plants;
- Power and heat cogeneration facility at Foster Creek has significantly reduced GHG emissions; and
- Installation of solar energy-driven downhole water removal pumps to avoid periodic gas well emissions to the atmosphere.

As well, at our Jonah field in southwest Wyoming, we are piloting a new technology that can dramatically reduce the level of air emissions during the removal of water and water vapours from gas.

Called the quantum leap dehydrator (QLD), the technology is a great improvement over traditional dehydrators because it reduces hazardous air pollutants (HAPs) by 99.47 percent. Further, the QLD eliminates greenhouse gas methane emissions. The QLD traps HAP emissions and methane with a contained vacuum. The trapped emissions are either recycled as vapour to power the QLD generator, or stored as condensate or oil, which is sold in the production stream. If the pilot proves successful, and all of Jonah's 3,100 wells are retrofitted with the QLD technology, it will represent a significant contribution in our ongoing commitment to the environment.

We are also participating in the U.S. Environmental Protection Agency's voluntary Natural Gas STAR program on methane reduction. As part of that program, EnCana has submitted a plan for reducing our methane emissions, and we are currently conducting methane inventories to quantify past and future emission reduction projects.

Also in the U.S., we have been piloting the use of American Clean Energy Systems, a diesel-fuel additive for drilling rigs that has environmental and cost benefits. In testing, engines with the treated diesel fuel had 20 to 30 percent fewer nitrogen oxide (NO_x) emissions and used \$500 less fuel per day than engines with untreated diesel.

One of our teams in northwest Alberta reduced the fuel gas consumption and GHG emissions of their operation by using a lower-pressure fuel gas for some instrumentation. By using the lower-pressure gas, they reduced venting to the atmosphere by about 48 percent.

Our Role in Renewable Energy

Renewable energy is an important part of Canada's and the U.S.'s GHG strategy, but the development of renewables is not a core competence of EnCana. Although we are not experts in renewable energy, we have extensive experience in new technology application. We experiment and pilot technologies and understand the difficulties in moving toward commercial scale applications, including securing the necessary financing. That is why EnCana has an Environmental Innovation Fund designed to sponsor, develop and implement projects that reduce our industry's environmental footprint, demonstrate innovation, and support EnCana's policies and practices regarding environmental stewardship (*see story on page 7*).

Under the U.S. Natural Gas STAR program, we have:

- Reduced sulphur dioxide (SO₂) emissions from vehicles by 87 percent by switching to low or ultra-low sulfur diesel;
- Reduced flaring and venting volumes by 64 percent by using heavy-duty steel tank separators; and
- Replaced 40 percent of gas-powered pneumatic pumps with solar-powered ones that meter liquids in our gathering systems.

Land Management and Biodiversity



Growth of new grasses at a reclaimed site near Wind River, Wyoming.

Since 2004, we have completed reclamation of more than 1,000 abandoned wells and reduced the number of total wells awaiting reclamation by nearly 60 percent.

In all our operations, we will strive to minimize our environmental footprint and to conserve habitat diversity and the plant and animal populations that may be affected by our operations.

— EnCana's Corporate Responsibility Policy

EnCana's core assets — 28 million net acres onshore in North America and a vast drilling inventory of about 40,000 well locations — represent one of our greatest strengths. They help make us the leading North American unconventional natural gas and in-situ oilsands producer, and provide the company the stability to deliver on our potential for many years to come. But in order for us to conduct our business effectively, we must ensure we have access to these lands and locations at every stage of our operations.

And with our significant landholdings comes an equally significant responsibility for safeguarding the environmental integrity of these areas.

Environmental issues related to oil and gas production include loss of biodiversity, water quality and habitat fragmentation. Population and industrial growth mean an increasingly large number of interests — for example, the energy and agricultural industries and urban, rural and indigenous populations — are competing for access to a finite land base. Land use conflicts are increasing among competing resource users and interests in many areas.

Some of EnCana's holdings in North America are located in areas with high biodiversity value that are already the focus of stakeholder activism.

EnCana addresses these challenges in numerous ways.

We integrate land management, remediation and biodiversity considerations into our planning decisions. For example, when EnCana conducts an environmental impact assessment (EIA) for one of our proposed operations, including biodiversity and cumulative-effects considerations in the assessment and protection planning process is expected. However, in areas where an EIA is not required by regulators, we attempt to work with local stakeholders on the issues.

Additionally, in some areas, we are developing baseline mapping processes through which we look at an entire region involved in a development, including topography, infrastructure, vegetation, wildlife and fish habitat, protected areas and sacred sites. This information is incorporated into our project design plan. We expect our baseline mapping process to become a corporate-wide practice in sensitive environments where there is a recognized biodiversity risk.

Ultimately, our goal is to establish best practice operational techniques and activities in all sensitive areas. Following are some recent examples of the many efforts that are taking place across the company.



Innovative Approaches at Our Oilsands

Operations

By their nature, our SAGD operations require a smaller physical footprint than surface, or open pit, oilsands mining. Several years ago, we began to further improve our operating efficiency and reduce the physical footprint our operations occupy.

By changing the way we extract the oil — replacing natural gas pumps with electric ones — and through re-engineering our well pads and redesigning our surface facilities, we have reduced the average surface footprint of our SAGD drilling pads by 25 percent since 2001.

We have further reduced our footprint by building a first-of-its-kind 32-inch steam distribution line that enables us to deliver steam six kilometres from the main plant at Foster Creek. This reduces the need

to construct new plants to reach new reservoir areas. The distribution line only requires a right-of-way of, on average, 60 metres in width versus the larger area required for a new plant site.

Operations in Suffield

The 2,690-kilometre area of Canadian Forces Base (CFB) Suffield in southern Alberta, where EnCana has drilled more than 9,000 wells, has been one of Canada's best examples of successful shared land use for more than 30 years.

Within the Suffield National Wildlife Area (NWA) located on the eastern side of the Suffield Block, EnCana has developed and currently operates 1,145 shallow gas wells. In addition, we are proposing to drill up to 1,275 additional infill shallow gas wells (through winter months only and over several years in order to reduce surface impacts). The NWA is a special native prairie grassland area that is home to more than 1,100 species of wildlife and vegetation.

Along with military exercises and cattle grazing, we have been operating in this multi-use area within Canadian Forces Base Suffield for over 30 years and supported its designation as a National Wildlife Area.

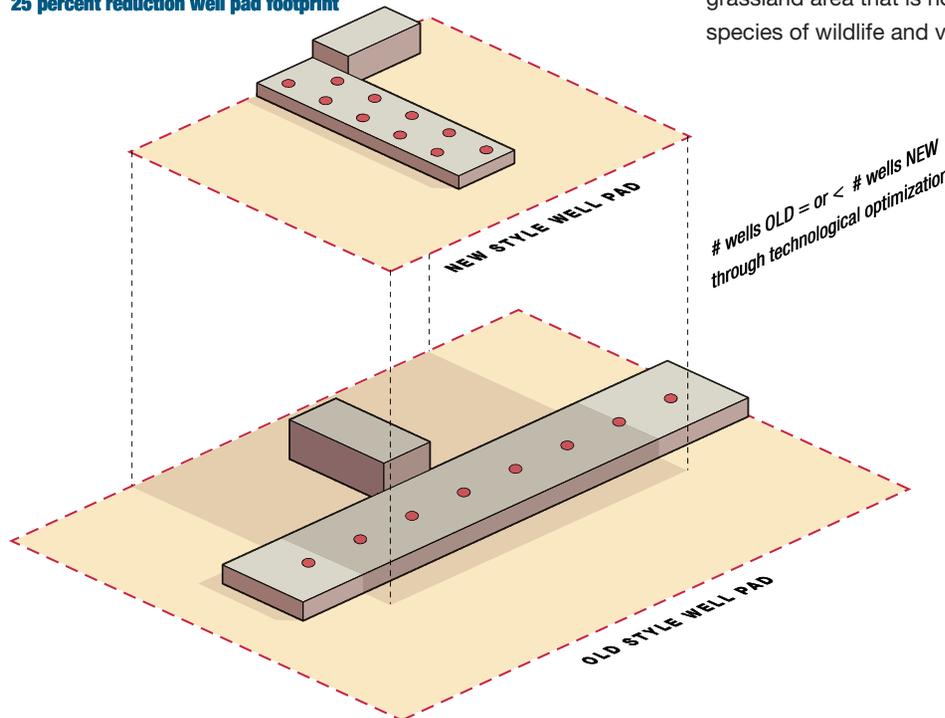
Although we are not currently drilling in the NWA, our efforts to limit our impact in the Suffield area include using baseline mapping techniques before conducting project development activities, determining optimal locations for wells and pipelines based on environmental considerations, and using specialized construction techniques. We have also taken numerous measures, including wildlife research funding, to protect native prairie grasses and wildflowers, and such native fauna as snakes, ground-dwelling burrowing owls and the Ord's kangaroo rat.

We are currently seeking a permit for our proposed drilling and have been preparing an EIA that we plan to submit in 2007. During 2006, we continued our intensive field studies of flora, fauna and species at risk that will form part of that assessment. We also held discussions and conducted facility tours with stakeholders, including environmental groups, to ensure open dialogue and help build awareness about our current activities and plans.

There is more information available about this initiative and our operations at CFB Suffield on our website.



25 percent reduction well pad footprint





EnCana is involved in a number of initiatives to ensure that our operations do not negatively impact species at risk such as woodland caribou.

Supporting Conservation in Wyoming

In a collaborative effort with NGOs, government and other stakeholders, EnCana set an industry precedent in Wyoming with a voluntary contribution of \$24.5 million in 2006 to fund wildlife and rangeland habitat improvement. As part of this commitment, we are also developing a mitigation plan for our Jonah field, which is located in southwest Wyoming in one of the most concentrated reserves of natural gas in North America. We are planning a substantially increased drilling program in this area.

EnCana contributed the funds to the Jonah Interagency Monitoring and Mitigation Office (JIO) to monitor activity on the Jonah field and fund habitat improvement projects in nearby areas, offsetting the temporary impacts to wildlife habitat associated with oil and gas development. Working with local land-owners, the JIO has already awarded initial funding for raptor nesting and water development projects and is identifying additional projects to be implemented over the next several years.

Species at Risk

The woodland caribou is an iconic species, found throughout much of Canada's boreal or northern forests and pictured on the Canadian 25-cent coin. Today, caribou are classified as threatened under both the federal Species at Risk Act and the Alberta Wildlife Act.

Of particular concern in Alberta is an 80-member woodland caribou herd in the Little Smoky Range, a 2,200-square-kilometre area midway between the towns of Grande Cache and Fox Creek in the west-central region of the province where, over the last couple of years, record oil and natural gas activity has taken place. EnCana is one of more than 70 operators in the area. The Alberta government has ranked the Little Smoky herd as being of immediate risk of becoming locally extinct.

We are involved in the Alberta Caribou Committee, the Caribou Land Management Association — which is a joint oil and gas and forestry industry working group — the West Central Caribou Landscape Planning Team, and a caribou conservation initiative along Highway 40, one of Alberta's most scenic and heavily travelled summer tourist roads and that runs through Grande Cache.

For another species at risk, we partnered with the State of Colorado's Division of Wildlife (CDOW) and the federal Bureau of Land Management to develop a comprehensive protection plan to identify, avoid and mitigate impacts to greater sage grouse on our 45,000-acre North Parachute Ranch property. The plan is now being implemented and we will continue to work on a sage grouse survey to better define occupied habitat and identify future potential habitat enhancement opportunities. EnCana has so far invested \$5 million on environmental baseline studies conducted over a five-year period on North Parachute Ranch.

Workforce Health, Safety and Sustainability

“ Being vigilant in everyday activities, whether on a well site or in an office tower will help reinforce a culture of safety and responsibility at EnCana.”

— **Randy Eresman**, President & CEO

Through our Environment, Health & Safety (EH&S) Principles, our human resources policies and practices and our EH&S Management System, we commit ourselves to ensuring the health, safety and welfare of our employees and contractors, visitors to our worksites, and communities who may be affected by our activities.

We approach workplace health and safety by identifying issues, providing training, engaging with our industry peers, communicating openly, and working collaboratively with our employees and contractors.

Improving our Health and Safety Performance

The very nature of oil and gas activities carries inherent risk and the potential for impact on the natural environment, communities and staff. We operate according to strong EH&S principles and practices and we strive for excellent EH&S performance as part of our commitment to our Corporate Responsibility Policy, EH&S Principles and EH&S Management System. The EH&S Management System prescribes the requirements of operating divisions to meet, not only regulated requirements, but, in many cases, the higher corporate standards for carrying out operations. Our operations are complex; therefore, each division tailors their activities in different ways to meet the management system requirements. EnCana has approximately 150 EH&S specialists who manage these issues along with other operational and corporate staff.

Ten Elements of the EH&S Management System

- Leadership
- Managing Risk
- Emergency Preparation and Response
- Assuring Competency
- Conducting Our Business Responsibly
- Ensuring Contractor and Supplier Performance
- Managing Incidents
- Document Management
- Reporting EH&S Performance
- Evaluating System Effectiveness

Internal EH&S Audits

The company performs EH&S Management System audits on all corporate and operating divisions to identify gaps that require attention. These audits, conducted with the assistance of external auditors, occur on a regular basis and the results are reported to senior management and the CREH&S Committee of the Board.



In-house training and tours are provided to EnCana employees, such as these summer students, in order to build understanding of operations, policies and procedures.

EnCana will treat our workforce with dignity, fairness and respect.

— EnCana's Corporate Responsibility Policy

Our EH&S Management System helps us to identify, assess and manage safety and environmental risks. It includes regular reporting to senior management and the Corporate Responsibility, Environment, Health & Safety Committee of EnCana's Board of Directors.

Our operations in Alberta hold certification from the provincial government for our safety management systems. A Certificate of Recognition (COR) is given to employers who develop health and safety management systems meeting established standards. This external recognition confirms we have advanced our safety programs to the required standard.

Internally we report the proactive steps we take during the year to reinforce our safety culture, such as inspections, audits and identification of hazards. Traditionally, the oil and gas industry has focused on lagging safety indicators — reporting on safety incidents and injuries that have already happened. Through the internal reporting of leading safety indicators we can track the correlation between our proactive steps and our actual safety results. We believe this will help lead to greater awareness about the benefits of our safety programs and will ultimately lead to improved safety performance overall.

Drinking Water Violations Result in Fine

Between February and May 2003, chlorine levels in the drinking water at our Christina Lake operations camp in northeast Alberta dropped below minimum requirements. The inspector from Alberta's Environment department who identified the violations noted that the failures did not endanger the safety of our workers and that corrective measures were taken in each case.

An internal audit showed the terms of our government permits were not understood at the field level, which pointed out deficiencies in training and an incomplete appreciation of how shift work, illness and vacations affect continuity at a small worksite like Christina Lake.

To avoid a recurrence of this problem, we hired a third-party company to monitor the water quality at this facility. We have provided additional training on this subject and have enrolled personnel in Keyano College in Fort McMurray, Alberta for additional skills development.

Our failure to report these contraventions resulted in a creative sentence, which was levied in 2006, consisting of a C\$249,402 fine to EnCana — C\$10,000 in cash, C\$39,402 to the Alberta Water and Wastewater Operators Association to develop online training in water operational certification, and C\$200,000 to a community-based environmental technician program at Keyano College. This incident focused greater attention throughout the company on compliance issues and on improving training procedures and proactive evaluations.

Safety Efforts in Chad Get Results

EnCana's operations in Chad achieved a world-class 0.67 Total Recordable Injury Frequency (TRIF) rate in 2006, their third consecutive year of improvement in this standard measurement of safety performance. Promoting a safety culture throughout the operations with employees and contractors has been a priority in Chad, trying to ensure everyone has a safe and incident-free work day. In January 2007, EnCana announced we had completed the sale of our interests in Chad.

East Coast Team Recognized for Commitment to Safety

As part of this year's North American Occupational Safety and Health Week (NAOSH) activities, EnCana's East Coast team was awarded the 2006 Outstanding Achievement Award by the organization. The award recognized how the East Coast team's Joint Occupational Health and Safety (JOHS) Committee demonstrated the positive impact their efforts have had in supporting EnCana's safety and health commitments in day-to-day operations. NAOSH Week was first launched in June 1997, marked by an agreement between Canada, the United States and Mexico.

Overall, 87 percent of employees who participated in our 2006 survey ranked EnCana as one of the best companies to work for.

Human Resources Approach for a Sustainable Workforce

EnCana operates in a highly competitive labour market due to a strong oil and gas sector and strong North American economy overall. Our human resources programs and practices focus on attracting and retaining the right people with the right skills to help us deliver on our strategy and business plans.

Our aim is to hire the very best — people who embrace change, pursue innovation, make superior decisions, naturally take on leadership and strengthen any team they join. We plan ahead for the next generation of talent through partnerships with universities and colleges. We offer a competitive, performance-based compensation package, a comprehensive benefits program, challenging and interesting work, and development opportunities for our employees.

We want employees to be proud of their company, our commitment to corporate responsibility and the values expressed in our Corporate Constitution. While we have made some impressive strides, we know the challenge of recruiting and retaining a talented and innovative workforce will require a sustained effort by us over the long term.

Checking in with Employees

We survey our employees on a regular basis to learn how EnCana is performing as an employer.

Every two years, we conduct a comprehensive, independent staff survey to help us understand and measure how well we are living up to the principles outlined in our Corporate Constitution. The results of the survey are tracked against the results of 500 North American high-performing companies, including energy companies, and it helps us identify ways to continuously improve. The most recent full survey was conducted in 2005.

In 2006, we conducted a shortened version of the employee survey to gauge our progress since the 2005 survey. This helps ensure that the work environment at EnCana is aligned with and supports what employees need in order to be successful at their jobs.

The results of that survey are encouraging:

- Seventy-seven percent of employees participated — a high level of response that, in itself, is a sign of an engaged workforce;
- Overall, 87 percent ranked EnCana as one of the best companies to work for, up from 86 percent in our 2005 survey; and
- Our employee engagement index reached 71 percent, three points higher than our ranking in 2005, and higher than the norm of 500 other high-performing companies in North America.



Rethinking the EnCana Work Week

Our 2005 employee survey told us our employees were looking for ways to balance their work and personal lives. In response, we looked for a solution that would provide employees with more days off, yet continue to enable EnCana's high-performance work environment. Effective July 1, 2006, we introduced new hours of work that give our North American office employees the first and third Friday of every month off. To enable these employees to enjoy the new work schedule, our workday increased by 30 minutes.

The innovative work schedule has proven very popular with our employees. In our 2006 employee survey (see story page 31), a number of them specifically commented on the positive impact the new work schedule has had with their work/life balance.

As well, those employees who would normally commute to the office on those days in their own vehicles are no longer contributing to traffic congestion and some associated environmental impacts.

EnCana's 6.7 percent turnover rate is lower than the industry average of 9 percent.

Source: Mercer Total Compensation Survey for the Petroleum Industry 2006.



Every two years employees have an opportunity to meet with and understand the roles of fellow employees at our two-day gEnergate conference.

Additionally, in Calgary, home to our head office, the new work schedule also caught the attention of other large oil and gas industry employers, some of whom have since introduced similar initiatives.

Helping with Balance

EnCana is a founding sponsor of *Lifestyle Journey*[™] an interactive program designed to help young people and their parents make healthier eating and physical activity choices, develop healthier habits, and achieve healthier lifestyles. With our support, *Lifestyle Journey*[™] has been introduced in community schools in Alberta, British Columbia and Saskatchewan where we have operations.

Bringing Employees Together

EnCana hosts an internal conference called gEnergate every two years to give our technical professionals — reservoir engineers, geologists, geophysicists, technologists — and other employees an opportunity to share technological advances, innovative solutions and lessons learned.

In 2006, we brought more than 3,000 employees from across North America together in Calgary for the two-day gEnergate conference.

The conference featured speakers including our President & CEO, Randy Eresman, and other senior EnCana leaders, as well as motivational guest speakers addressing excellence in execution and safety. Through presentations organized by small groups of employees, delegates also learned directly from their peers about technological achievements and other initiatives that are occurring throughout the company.

The range of topics covered during the gEnergate conference demonstrated the depth and breadth of our organization, as well as our leadership in developing and implementing new technology to optimize our recoveries, reduce costs and lower our environmental impacts.

The conference received a positive response, with more than 95 percent telling us in a post-event survey they want us to do it again. This conference is another way we are building a sustainable workforce — by providing employees an opportunity to meet their peers, learn about the whole company, share ideas and understand EnCana's strategic objectives and shared challenges.



Economic Performance	33
Social Performance	35
Environmental Performance	37
Reviewer's Report	41
Global Reporting Initiative Index	42

Performance Data

In the pages that follow, we report data using key economic, social and environmental performance indicators. Insights into how we manage these issues, including policy commitments and practices, are provided on our website. The full scope of our policies, practices and initiatives are available on our website. For an overview description of our corporate responsibility management approach, regardless of the issue area, please see pages 5-9. Additional performance data, links and other relevant information are available at www.encana.com.



Economic Performance

Financial (US\$ millions) ¹	2004	2005	2006
Revenues, net of royalties	10,491	14,573	16,399
Cash flow ²	4,502	6,962	7,043
Capital expenditures ^{3,4}	4,763	6,925	6,600
Dividends on common shares	183	238	304
Interest, net	398	524	396
Change in retained earnings	2,659	1,546	1,863
Taxes and Royalties			
Current taxes ⁵	870	1,657	1,291
Canada	673	597	880
U.S.	212	1,068	361
Other	(15)	(8)	50
Total royalties ⁶	1,146	1,636	1,477
Canada	691	910	823
U.S.	455	726	654
Stakeholder Economic Benefits			
Employee payroll and benefits ⁷	584	809	824
Operating expenses ³	1,099	1,438	1,655
Procurement from aboriginal suppliers (C\$ millions) ⁸	110	120	135
Community investment ⁹	11.7	17.1	20.2

¹ Financial data is taken from 2006 Annual Report and refers to continuing operations. Historical revenue numbers have been restated to move diluent costs from Revenue into Transportation and Selling.

The result is an increase in both Revenue and Transportation for a net result of zero.

² As defined in our Cash Flow Advisory on page 10.

³ Includes purchases of goods and services.

⁴ Excludes proceeds from divestitures.

⁵ Accrued income taxes and accrued production and mineral taxes. For consistency, 2004 and 2005 data has been restated because it included discontinued operations.

⁶ Cash payments to governments for access to a public resource, not including land acquisition. Total royalties for discontinued operations were \$68 million in 2006.

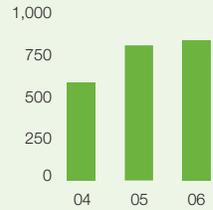
⁷ Payroll includes salaries, allowances and bonuses for Canada, U.S. and expatriate employees. Benefits include, for example, medical, dental, scholarships and pensions for Canada, U.S. and expatriate employees.

⁸ Includes Western and Northern Canada data only.

⁹ Contributions to charitable and non-profit organizations in Canada, U.S., Ecuador and Chad.

Payroll and Benefits

(\$ millions)



Payroll includes salaries, allowances and bonuses for Canada, U.S. and expatriate employees. Benefits include, for example, medical, dental, scholarships and pensions for Canada, U.S. and expatriate employees.

Stakeholder Economic Benefits

Our financial performance directly affects our shareholders and indirectly affects our stakeholders. Our presence in labour and service markets throughout communities in North America influences the well-being of employees, suppliers and contractors. A company benefits society, not only by providing shareholder value, but, by improving the economic well-being of the many parties it touches.

Shareholders and Lenders

Because we are focused on developing lasting resource plays, we offer our financial supporters sustained value creation. We paid \$700 million in interest and dividends in 2006. Also in 2006, EnCana's Board of Directors approved a dividend increase of 33 percent, from 7.5 cents per share to 10 cents per share. In addition, in 2007, the Board further doubled the first quarterly dividend, from 10 cents per share to 20 cents per share. Total shareholder return for shares traded on the Toronto Stock Exchange (TSX) in 2006 was 3 percent. Over the past three years, total shareholder return was 115 percent for shares traded on the TSX and 138 percent for shares traded on the New York Stock Exchange — higher due to the appreciation of the Canadian dollar.

Suppliers and Contractors

Strong relationships with our suppliers and contractors are essential to our mutual success. Prior to signing a contract, we require all contractors, service providers and potential suppliers to acknowledge their familiarity with and to uphold the values and practices we follow as employees, including the Corporate Responsibility Policy and Business Conduct & Ethics Practice.

One of the ways we try to ensure our purchases support local suppliers is through our procurement from aboriginal suppliers. This figure has risen considerably over the years due, in part, to the programs described on pages 14 and 15.

Employees

During 2006, total employee payroll and benefits increased slightly, as did our total employee count. Our flexible benefit package allows employees to customize levels of coverage to best meet their needs. Benefit features include medical and dental coverage, investment plans, pension, and insurance options. Employee compensation includes competitive salaries, benefits and yearly performance-based bonuses. We also encourage employees to develop their own skills and careers. Through educational assistance programs, in-house training, and opportunities provided through external training, employees can further develop their skills and experiences. This provides them with flexibility and the opportunity to take advantage of many career options available within the company.

Communities

As an Imagine Canada company, we invest one percent of our average domestic pre-tax profits in charitable and non-profit initiatives. In 2006, our Canadian and U.S. contributions were more than \$20 million.

Society

Our payment of taxes and royalties is a requirement. It is the magnitude of our payments that can generate a significant economic impact for all parts of society. In 2006, EnCana made tax and royalty payments totalling almost \$2.8 billion.

Social Performance

Safety ¹	2003	2004	2005	2006
Recordable injury frequency (employees and contractors)	1.70	1.17	1.34	1.22
Lost time injury frequency (employees and contractors)	0.45	0.27	0.35	0.35
Workforce				
Total workforce				
(employees and contractors) ²	6,097	6,421	6,685	6,574
Canada	4,499	4,522	4,845	4,974
U.S.	606	1,173	1,187	1,542
Other ³	992	726	653	58
Voluntary employee turnover (percent)	4.9	6.6	6.6	6.7
Canada	5.0	5.7	5.9	6.2
U.S.	5.8	12.7	12.7	8.5
Other ³	2.1	3.6	1.3	11.7
Business Conduct				
Business conduct investigations (new) ⁴	7	39	18	35

1 Recordable and lost time injuries are as defined by CAPP and are as per 200,000 hours worked, the industry standard in Canada. "Contractors" refers to contract personnel engaged to perform services for EnCana. Statistics also include service companies (e.g. drilling companies). The consolidated injury frequencies reported are for Canada and the U.S. and utilize contractor exposure hour data that are calculated differently in Canada and the U.S. Beginning in 2007, we will utilize a single company-wide methodology for calculating these exposure hours.

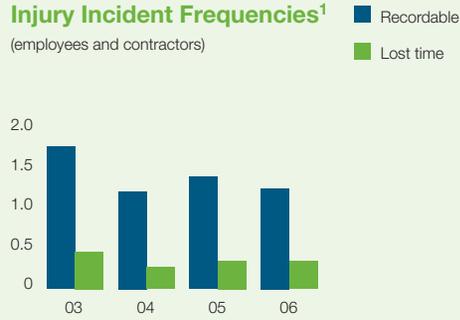
2 "Contractors" refers to contract personnel engaged to perform services for EnCana. Statistics exclude service companies.

3 Other includes Barbados, Brazil, Chad, Ecuador, France, Qatar, Oman, Yemen and the United Kingdom (U.K.).

4 These investigations were conducted by our Investigations Committee, which was launched in 2003. The 2003 data is for a partial year.

Injury Incident Frequencies¹

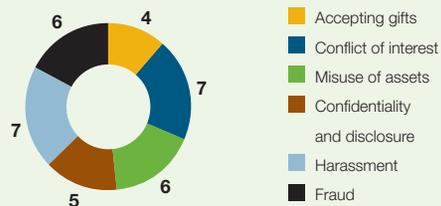
(employees and contractors)



¹ Per 200,000 hours worked.

2006 New Business Conduct Investigations

(35 total)



Safety

As is typical in the oil and gas industry, we see higher injury incident rates among contractors. It is a priority for EnCana to include our contractors in our safety initiatives and to ensure their understanding and implementation of safety and our expectations. Unfortunately, during 2006, two contractor fatalities occurred in relation to EnCana operations. The first fatality was due to equipment failure. The second was a result of an unplanned release of energy, which resulted in fatal trauma. As per regulatory requirements, we completed investigations into these fatalities and have since reported what we learned through industry regulators, networks and internal channels to understand what contributed to the tragedies and incorporate any learnings into our operations.

The company's online Incident Management System is used to record all health, safety and environmental incidents. All employees have access to the software to create incident reports, from which action plans are formulated. Reports are reviewed monthly by operating groups, and a corporate report is also prepared quarterly.

Turnover

As outlined on page 31, we regularly check with staff to identify their levels of satisfaction and where we might make improvements to maintain competitive advantage in a very tight labour market.

There are not many companies in the oil and gas industry in North America immune to the effects of a severe shortage of skilled staff. EnCana is also experiencing the impacts of this shortage and, although EnCana's 6.7 percent turnover rate is lower than the industry average of 9 percent,¹ we recognize that, only by approaching our attraction and retention strategies proactively, will we maintain advantage in this market.

Business Conduct Investigations

The Corporate Responsibility, Environment, Health & Safety and Audit Committees of the Board receive quarterly summaries on the nature and status of ongoing investigations and the resolutions of any investigations since the previous report.

EnCana's Integrity Hotline, launched in 2005, provides an avenue for anyone to anonymously and confidentially raise concerns regarding company operations without threat of retaliation. All concerns received on the Integrity Hotline in 2006 were addressed, with four of those concerns investigated by our Investigations Committee. Actions relating to these investigations ranged from reprimands to termination of contracts or employment.

As the Investigations Committee and Integrity Hotline are still relatively new, it is difficult to identify trends in the incidents or the reasons for rising or declining investigations activity.

¹ Source: Mercer Total Compensation Survey for the Petroleum Industry 2006.

Environmental Performance

Greenhouse Gases (GHG) — Canada	2003	2004	2005	2006
Direct GHG emissions (ktonnes CO ₂ e) ¹	4,489	5,239	5,469	5,924
Direct GHG emissions intensity (tonnes CO ₂ e/m ³ OE)	0.145	0.152	0.161	0.170

CO₂ purchased for sequestration				
CO ₂ sequestered at Weyburn operations (ktonnes CO ₂ e) ²	1,544	1,594	1,842	1,800
Adjusted direct GHG intensity (tonnes CO ₂ e/m ³ OE) ³	0.095	0.106	0.107	0.118

Greenhouse Gases (GHG) — U.S.				
Direct GHG emissions (ktonnes CO ₂ e) ¹				2,024
Direct GHG emissions intensity (tonnes CO ₂ e/m ³ OE)				0.141

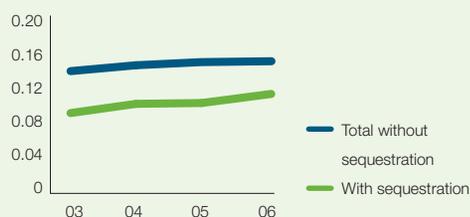
Air Emissions — Canada				
Nitrogen oxides (NO _x) emissions (oilsands operations only) (tonnes)	–	277	315	350
Total gas flared (10 ³ m ³ /yr)	71,852	75,965	110,446	109,780
Total gas vented (10 ³ m ³ /yr)	22,050	16,062	16,624	17,622
Solution gas conservation rate — Alberta only (percent) ⁴	96.8	97.0	97.5	97.8
Sulphur dioxide (SO ₂) (tonnes)	5,564	5,814	7,015	6,836

We report emissions and intensities for all of the facilities we operate regardless of our equity share.

- Includes total direct emissions from combustion, flaring, formation CO₂ and other venting and fugitive leaks from equipment.
- Sequestration operations emit some CO₂ which is accounted for in our direct GHG emissions data.
- These figures were calculated by deducting the total amount of CO₂ sequestered at Weyburn from EnCana's Canadian direct CO₂ equivalent emissions, divided by Canadian production.
- The conservation rates have changed slightly to reflect updated production accounting data. In addition, the 2005 conservation rate of 98.4 percent in last year's report was taken from EUB data for EnCana facilities. This number has been updated to use an EnCana calculation that is consistent over the years and includes more solution gas-producing facilities than are included in the EUB list.

Impact of CO₂ Sequestration on GHG Emissions Intensity

(direct tonnes CO₂e/m³OE)

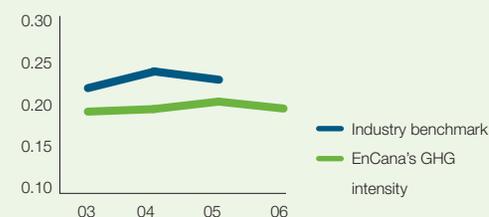


This comparison is provided as an example of the significance of CO₂ sequestration technology and its potential to address GHG emissions intensity. Graph is for Canada only. Figures were calculated by deducting the total amount of CO₂ sequestered at Weyburn from EnCana's total direct CO₂ equivalent emissions, divided by Canadian sales production.

Based on industry data from CAPP 2006 Stewardship Progress Report for Canadian conventional oil and gas and in-situ oilsands production.

GHG Emissions Intensity – Industry Comparison

(direct and indirect CO₂e/m³OE)



Environmental Performance (continued)

	2003	2004	2005	2006
Total energy use (terajoules) ^{1,2}	60,327	72,402	74,683	82,121
Energy intensity (gigajoules/m ³ OE) ^{1,2}	1.94	2.10	2.20	2.35
Spills				
Number reportable ³	180	242	205	219
Estimated reportable volume spilled (m ³)	3,460	3,984	2,725	7,038
Estimated reportable volume immediately recovered (m ³) ⁴	2,135	2,700	1,310	4,947
Abandonment and reclamation ¹				
Total abandoned wells awaiting reclamation	972	800	300	293
Total abandoned wells, active reclamation complete, awaiting reclamation certificate	55	49	536	1,109
Well site reclamation certificates received ⁵	59	21	57	46
Fines ⁶				
Canada (C\$)	3,860	–	–	249,402
U.S.	1,000	502,700	–	339,600
Wastes ^{1,7}				
Hazardous (tonnes)				52,000
Non-hazardous (tonnes)				978,000

1 Canada only.

2 Includes fuel gas and electricity used for production operations, not electricity in office buildings.

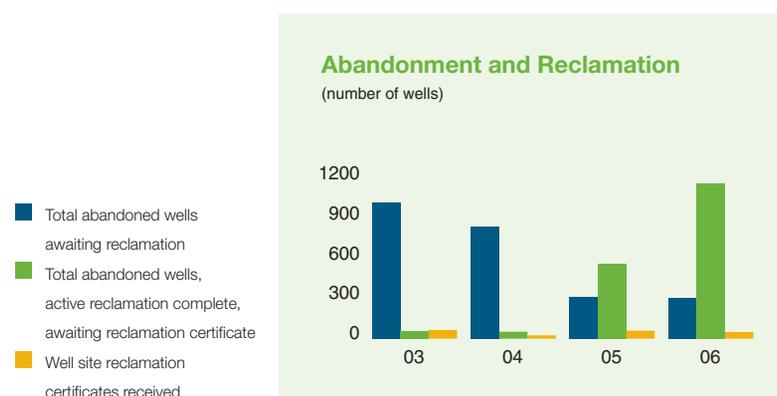
3 Those that are required to be reported according to jurisdictional regulations.

4 Remaining volume recovered through subsequent remediation activities.

5 Does not include access road certificates, B.C. or Saskatchewan.

6 Fines for non-compliance may not be levied in the same year in which the infraction occurred.

7 Classification of hazardous/non-hazardous materials vary by jurisdiction.





Employees installing pipeline near Three Hills, Alberta.

Greenhouse Gas Emissions

EnCana's methodology to measure emissions is based on the specifications outlined in the American Petroleum Institute's "Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry", along with additional guidance provided by CAPP and the GRI. For performance through 2005, we have GHG emissions data available only for our Canadian operations, which represent approximately 74 percent of our production. In 2006, we implemented software and conducted the necessary inventories to report on our U.S. GHG emissions. However, we do not have GHG data for our U.S. operations for previous years.

As a result of increasing production and the addition of our U.S. data, our 2006 direct CO₂ emissions are up since 2003. Emissions per unit of production, which represents our emissions intensity, are also up. We measure emissions intensity on a "tonnes of CO₂e per m³ of oil equivalent production" basis. Compared to the best available information for the Canadian oil and gas industry from the 2006 CAPP Stewardship Progress Report, EnCana's Canadian emissions intensity is approximately 22 percent below the national industry benchmark.

Water Use

As noted on pages 17 to 19, we consider water a priority issue for EnCana. In the 2005 Corporate Responsibility Report, we disclosed water used under diversion licences in Alberta. However, as part of our external assurance process, it was identified that, because not all jurisdictions where we operate require us to report our water use, we only estimated use at these locations. Because

of this difference, we are working toward a more robust means of measuring our water use and, therefore, we felt it was inappropriate to report partial water use data. Our main water uses are for fracturing, drilling wells, power generation, for steam in our SAGD operations, and for dust suppression.

Energy Use

Our total energy use is up 37 percent since 2003 as a result of increased production and increases in the energy used to produce some of our products, such as low pressure natural gas and SAGD bitumen extraction from oilsands. Energy use per unit of product, also called energy intensity, is up 21 percent, primarily due to increased SAGD oilsands production, which is more energy intensive than conventional oil and natural gas extraction. With an increasing portion of our production coming from more energy-intensive sources, we will focus our innovation and technology development on energy efficiency measures, (as described on page 21), and the installation of new, more efficient equipment and systems.

Air Emissions

Flaring and venting natural gas used to be common exercises in the industry. Over the years, EnCana has applied technologies to reduce flaring and venting volumes. However, in late 2005 and again in 2006, operational upsets with recycle compressors at one of our operations resulted in intermittent flaring of gas produced with oil that is normally separated and re-injected. This is an intermittent situation we expect to have resolved in late 2007.



At our drilling operations near Piceance, Colorado, we take careful measures to have as little impact on the environment as possible.

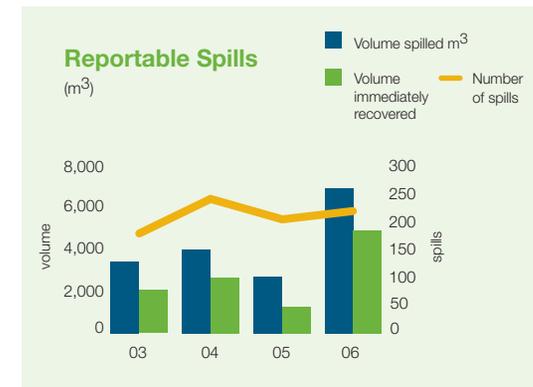
Our operations emit NO_x and volatile organic compounds (VOCs) to the air. When they react with warm temperatures and sunlight, smog can be the result. In most of our widely dispersed locations, this is not a significant concern. However, with the overall intensity of industry development in the oilsands area of northern Alberta, the cumulative impacts of NO_x emissions have become a concern. Since 2004, when we began tracking NO_x emissions, these emissions have risen due to increased oilsands production.



We are including our sulphur dioxide (SO₂) emissions in our CR Report for the first time this year. SO₂ emissions occur from all of our natural gas operations that handle sour gas. Again, our SO₂ emissions are from widely dispersed smaller point sources. Nonetheless, SO₂ emissions can contribute to acidification in the environment. We continually work to reduce SO₂ emissions. One of our promising applications of technology in this respect is our award-winning Bantry operation. Page 36 also provides examples of how we are innovating to reduce air emissions in our operations throughout North America.

Spills

All spills, no matter what size, are recorded in our Incident Management System. Spills vary in type and can consist of liquids, including methanol, saline water, glycol, hydraulic and fracturing fluids, as well as some petroleum liquids. More than 50 percent of our spill volume in 2006 was produced water. The number of reportable spills (i.e., those that meet a threshold regulators require reporting on) has increased since 2003. EnCana's spilled volume has increased by 103 percent since 2003. Between 2005 and 2006, our spill volume more than doubled because of several large spills included in the count. For example, in 2006, a pipeline failure led to a 1,000 m³ spill of emulsion liquids — approximately 14 percent of total spilled volume. Four percent of our spills in 2006 accounted for nearly 90 percent of spilled volume. Another contributor to the increase in the number and volumes reported is attributed to enhanced training of on-the-ground personnel. Improved understanding of reportable spills, (including those incurred by contractors), and regulatory requirements have contributed to better reporting



of such incidents. As a matter of practice, we investigate root causes of spills, follow regulated emergency response practices when necessary and take corrective action to prevent repeat incidents.

Fines and Penalties

In cases where we were in non-compliance with a specific requirement, remedial action solved the problem and satisfied the regulator. When we receive a fine, it is a serious issue. We received fines totalling almost \$560,000 in 2006 from 13 fines — one in Canada for C\$249,402 (see story page 30) and 12 in the U.S. ranging from \$300 to \$99,400. These fines were both operational and administrative in nature.

Other Environmental Reporting

In 2006, EnCana continued our participation in the Carbon Disclosure Project (CDP). The survey focuses on areas associated with climate change, such as taxation and regulation, changes in weather patterns, technological innovations, and shifts in consumer attitude and demand. We believe this is an important initiative to participate in because it responds very specifically to the concerns of stakeholders around both industry and corporate impacts.

Independent Reviewer's Report

To: the Board of Directors and Management of EnCana Corporation

We have reviewed selected quantitative performance indicators presented in EnCana's Corporate Responsibility Report (the CR Report) for the year ended December 31, 2006. We did not attempt to review all information included in the CR Report. EnCana management is responsible for collection and presentation of the indicators and information within the CR Report. Our responsibility is to express a conclusion as to whether anything has come to our attention to suggest that the selected quantitative performance indicators are not presented fairly in accordance with the relevant criteria.

Scope

The selected quantitative performance indicators included indicators relating to health, safety and environment; community investments; community relations; economic performance; employee relations; and other areas noted in bold in the performance data tables. The quantitative performance indicators were selected by EnCana primarily on the basis of perceived external stakeholder interest. We did not review the narrative sections of the Report, except where they incorporated the selected quantitative performance indicators. This Report contains certain financial information extracted from EnCana's Annual Report to Shareholders for the year ending December 31, 2006. For the purposes of this engagement, we ensured that the appropriate information was extracted and presented in the CR Report, but we did not perform any additional assurance procedures on the financial information.

Methodology

Our review was completed in accordance with the International Standard on Assurance Engagements (ISAE) 3000, developed by the International Federation of Accountants. As such, we planned and performed our work in order to provide limited, rather than absolute, assurance with respect to the selected quantitative information that we reviewed. Our review criteria were based on the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, relevant regulations, EnCana management definitions, and industry standards as referenced in the Report. Our procedures included obtaining, examining, and evaluating evidence relating to the selected indicators. We believe our work provides a reasonable basis for our conclusion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the selected quantitative performance indicators set out in bold in the performance summary tables of the CR Report are not presented fairly in accordance with the relevant criteria.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Calgary, Alberta, Canada

April 25, 2007

Description of Our Review Process

EnCana asked us to review management's assertions regarding the Company's corporate responsibility for the year ending December 31, 2006 and to provide a report setting out our conclusions. Our review work was carried out at EnCana's offices in Calgary, Alberta, Canada and Denver, Colorado, USA. Our review team comprised individuals with backgrounds and experience in environment, health and safety, social, economic and financial assurance. In total, our review required approximately 550 hours of professional time.

During our review, we obtained and evaluated evidence using a variety of procedures, including:

- Interviewing relevant EnCana management and staff;

- Evaluating the data management systems, processes, and controls used to generate, aggregate and report the selected quantitative performance indicators at EnCana's regional and head offices;
- Examining relevant internally and externally generated documents and records, including correspondence with external parties;
- Comparing the company assertions to publicly available third party information;
- Testing and re-calculating selected quantitative performance indicators on a sample basis; and
- Assessing the information for consistency with our knowledge of EnCana's overall operations.

We did not carry out any review procedures with respect to EnCana's corporate responsibility performance in years prior to 2006 or future projected performance.

GRI Index

Category	Description	GRI Indicator	Location	Page Number
Vision and Strategy	CEO statement	1.2	CR	1
Organizational and Report Profile	Name of reporting organization	2.1	CR	10
	Major products and/or services	2.2	CR	IFC, Foldout
	Operational structure of organization	2.3	CR	Foldout
	Major divisions, operating companies, subsidiaries and joint ventures	2.4	CR	Foldout
	Countries where organization operates	2.5	AIF	3
	Nature of ownership; legal form	2.6	CR	Foldout
			CR	IFC
			AIF	3
	Nature of markets served	2.7	CR	Foldout
	Scale of the reporting organization	2.8	CR	Foldout, 35
	Contact person	2.10	CR	IBC
	Reporting period	2.11	CR	3
	Date of most recent previous report	2.12	CR	4
	Boundaries of report and limitations	2.13	CR	Footnotes
	Significant changes in reporting organization	2.14	CR	Foldout
			AIF	4-5
	Basis for reporting on non-wholly owned operations	2.15	CR	10
	Explanation of information restatements	2.16	CR	Footnotes
	Significant changes in measurement methods	2.19	CR	Footnotes
	Policy and practice on independent assurance of report	2.21	CR	4, 41
	Means to obtain additional information	2.22	CR	IBC
Governance Structure & Management Systems	Governance structure, including major Committees under the Board	3.1	IC	33-34
	Independent, non-executive directors on Board	3.2	CR	5
	Board level processes for economic, environmental, and social management	3.4	CR	5
	Organizational structure for economic, environmental and social management	3.6	CR	6
	Mission and values statements, internally developed codes of conduct or principles and policies	3.7	CR	7
	Approaches to stakeholder consultation	3.10	CR	4, 8-9, 13, 16, 27, 31
	Type of information generated by stakeholder consultations	3.11	CR	9, 13, 31
	Use of information generated from stakeholder engagements	3.12	CR	13, 19
	Endorsement of externally developed voluntary charters	3.14	CR	3
	Membership in industry and business associations	3.15	CR	IBC
	Major decisions regarding changes in operations	3.18	CR	Foldout
GRI Content Index	This table	4.1	CR	42
Economic Performance Indicators	Net sales	EC1	CR	33, Foldout
	Cost of all goods, material and services	EC3	CR	33
	Total payroll and benefits	EC5	CR	33
	Distributions to providers of capital	EC6	CR	33, 34
	Increase/decrease in retained earnings	EC7	CR	33
	Taxes paid (by country)	EC8	CR	33
	Donations to community, civil society, etc.	EC10	CR	33, 34
Environmental Performance Indicators	Direct energy use by primary source	EN3	CR	38
	Indirect energy use	EN4	CR	38
	Location and size of land owned, leased or managed in biodiversity-rich habitats	EN6	CR	27
	Major impacts of activities on biodiversity	EN7	CR	26
	Greenhouse gas emissions	EN8	CR	37, 39
	NOx, SOx, and other significant air emissions	EN10	CR	37, 39-40
	Wastes by type and destination	EN11	CR	38
	Significant spills of chemicals, oils, and fuels	EN13	CR	38, 40
	Environmental non-compliance and fines	EN16	CR	38, 40
	Initiatives to use renewable energy and increase energy efficiency	EN17	CR	21, 25
	Amount of land owned, leased or managed for production activities	EN23	CR	Foldout, 26
	Programs for protecting/restoring native ecosystems and species in degraded areas	EN27	CR	28
	Operations planned in or around protected or sensitive areas	EN29	CR	27
Social Performance Indicators: Labour Practices and Decent Work	Breakdown of workforce	LA1	CR	35
	Net employment creation and average turnover	LA2	CR	35
	Standard injury and lost day rates and fatalities	LA7	CR	35, 36
Social Performance Indicators: Human Rights	Non-retaliation policy and confidential employee grievance system	HR10	CR	35-36
Social Performance Indicators: Society	Programs to manage impacts on communities	SO1	CR	13, 14-16
	Awards received relevant to social, ethical and environmental performance	SO4	Website	

AIF = Annual Information Form IC = Information circular CR = Corporate Responsibility Report
 IBC = Inside back cover IFC = Inside front cover

Acknowledgements and Contact Information

Our success is a credit to the efforts and contributions of employees and external stakeholders. We thank you for your contributions as we continue to improve our corporate responsibility performance and reporting activities. We welcome and value your feedback on this report and our corporate responsibility activities. If you have any questions, comments or concerns, please contact us:

By e-mail

crreportfeedback@encana.com

By mail

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Online

Visit the Corporate Responsibility Reporting section of www.encana.com and fill out our online feedback tool.



Measurement Abbreviations

bbls	barrels
BOE	barrel of oil equivalent
CO ₂ e	carbon dioxide equivalent
ktonnes	kilotonnes
Mcf	thousand cubic feet
MMcf	million cubic feet
MMcfe	million cubic feet equivalent
m ³	cubic metres
m ³ OE	cubic metres of oil equivalent
10 ³ m ³	thousand cubic metres
NGLs	natural gas liquids

Affiliations and Participation

CARBON DISCLOSURE PROJECT





Mohawk Environmental Calculator

The EnCana Corporate Responsibility Report uses Mohawk Options PC White paper which has a post-consumer recycled percentage of 100 percent.

By using recycled fibre in place of virgin fibre, the following environmental impacts were prevented:

- 91 trees preserved for the future
- 263 lbs waterborne waste not created
- 38,739 gallons wastewater flow saved
- 4,286 lbs solid waste not generated
- 8,440 lbs net greenhouse gases prevented
- 64.6 million BTUs energy not consumed

Savings from the use of emission-free wind-generated electricity:

4,385 lbs air emissions not generated

Displaces this amount of fossil fuel:

2 barrels crude oil unused

Savings from the use of wind-generated electricity equals:

Not driving 7,600 km (4,750 miles) OR planting 296 trees

