Natural Gas Vehicles: Solutions from the Factory

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Broomfield, CO | April 9, 2010
Future Oriented Information

In the interest of providing Encana Corporation ("Encana" or the "Company") shareholders and potential investors with information regarding the Company, its subsidiaries, including management's assessment of the Company's future plans and operations, certain statements and graphs throughout this presentation contain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 or "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking statements in this presentation include, but are not limited to, statements and tables with respect to: possible opportunities for use of natural gas for transportation in North America; estimated number of jobs that could be generated with the expanded use of natural gas; expected benefits of using natural gas; and Encana's estimated proved reserves and production for 2010.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the Company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These assumptions, risks and uncertainties include, among other things: volatility of and assumptions regarding commodity prices; assumptions based upon the Company's current guidance; fluctuations in currency and interest rates; product supply and demand; market competition; risks inherent in the Company's marketing operations, including credit risks; imprecision of reserves estimates and estimates of recoverable quantities of natural gas and liquids from resource plays and other sources not currently classified as proved, probable or possible reserves or economic contingent resources; marketing margins; unexpected cost increases or technical difficulties in constructing or modifying processing facilities; risks associated with technology; land expiration risks; the Company's ability to replace and expand gas reserves; its ability to generate sufficient cash flow from operations to meet its current and future obligations; its ability to access external sources of debt and equity capital; the timing and the costs of well and pipeline construction; the Company's ability to secure adequate product transportation; changes in royalty, tax, environmental, greenhouse gas, carbon, accounting and other laws or regulations or the interpretations of such laws or regulations; political and economic conditions in the countries in which the Company operates; terrorist threats; risks associated with existing and potential future lawsuits and regulatory actions made against the Company; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by Encana. Although Encana believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive.

In addition, assumptions relating to such forward-looking statements generally include Encana's current expectations and projections made in light of, and generally consistent with, its historical experience and its perception of historical trends, including the conversion of resources into proved reserves and production as well as expectations regarding rates of advancement and innovation, are generally consistent with and informed by its past experience, all of which are subject to the risk factors identified elsewhere in this presentation.

Furthermore, the forward-looking statements contained in this presentation are made as of the date of this presentation, 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 presentation are expressly qualified by this cautionary statement.
Encana's disclosure of reserves data and other oil and gas information is made in reliance on an exemption granted to Encana by Canadian securities regulatory authorities, which permits it to provide certain of such disclosure in accordance with the relevant legal requirements of the U.S. Securities and Exchange Commission (the "SEC"). Some of the information provided by Encana may differ from the corresponding information prepared in accordance with Canadian disclosure standards under National Instrument 51-101 (NI 51-101). Information about the differences between the U.S. requirements and the NI 51-101 requirements is set forth under the heading "Note Regarding Reserves Data and Other Oil and Gas Information" in Encana's Annual Information Form dated February 18, 2010.

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

Encana uses the terms resource play and estimated ultimate recovery, total petroleum initially-in-place, original gas-in-place, natural gas-in-place, and crude oil-in-place. 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. Total petroleum initially-in-place ("PIIP") is defined by the Society of Petroleum Engineers - Petroleum Resources Management System ("SPE-PRMS") as that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources"). Original gas-in-place ("OGIP"), natural gas-in-place ("NGIP") and crude oil-in-place ("COIP") are defined in the same manner, with the substitution of "original", "natural gas" and "crude oil" where appropriate for the word "petroleum". As used by Encana, estimated ultimate recovery ("EUR") has the meaning set out jointly by the Society of Petroleum Engineers and World Petroleum Congress in the year 2000, being those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from an accumulation, plus those quantities already produced therefrom.

In this presentation, Encana has provided information with respect to certain of its Key Resource Plays and emerging opportunities which is "analogous information" as defined in NI 51-101. This analogous information includes estimates of PIIP, OGIP, NGIP or COIP and/or EUR, all as defined in the Canadian Oil & Gas Evaluation Handbook ("COGEH") or by the SPE-PRMS, and/or production type curves. This analogous information is presented on a basin, sub-basin or area basis utilizing data derived from Encana's internal sources, as well as from a variety of publicly available information sources which are predominantly independent in nature. Some of this data may not have been prepared by qualified reserves evaluators or auditors and the preparation of any estimates may not be in strict accordance with COGEH. Regardless, estimates by engineering and geo-technical practitioners may vary and the differences may be significant. Encana believes that the provision of this analogous information is relevant to Encana's oil and gas activities, given its acreage position and operations (either ongoing or planned) in the areas in question.

Finding, development and acquisition cost is calculated by dividing total capital invested in finding, development and acquisition activities by additions to proved reserves, before divestitures, which is the sum of revisions, extensions, discoveries and acquisitions. Proved reserves added in 2009 included both developed and undeveloped quantities. Encana's finding and development costs per Mcfe for (i) its most recent financial year (ended December 31, 2009) was $1.62; (ii) its second most recent financial year (ended December 31, 2008) was $2.50; and (iii) the average of its three most recent financial years was $1.92.

For certain prospects, the Company calculates and discloses a full cycle F & D cost, which is defined to be the estimated total capital investment required over the full economic life of the prospect divided by the estimated ultimate recovery (EUR) of the prospect.

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

All information included in this presentation is shown on a US dollar, after royalties basis unless otherwise noted. Sales forecasts reflect the mid-point of current public guidance on an after royalties basis.
Asset Base Overview
Natural Gas Supply Synergies with Ports to Plains Corridors

Source: Ports to Plains, Encana
Natural Gas Economy Mission

Our mission is to establish natural gas as the foundation of North America’s energy portfolio

- Abundant
- Affordable
- Clean
- Reliable
- Domestic Solution
Natural Gas for Transportation
Why Natural Gas Vehicles?

Environmental
- Up to 25% Less CO₂ than gasoline/diesel equivalents
- Reduce Carbon Monoxide and emissions of particulates up to 90%

Domestic Energy
- 86% of consumed natural gas produced domestically
- 100% of LNG used as transportation fuel is produced domestically

Economical
- Incentives and grants available for vehicles, infrastructure and fuel
- Significant fuel price differential as compared to gasoline or diesel

Source: Environmental Protection Agency, Naturalgas.org

www.encana.com
Natural Gas – a Diverse and Flexible Fuel

- **Compressed Natural Gas (CNG)**
  - Light duty vehicles
  - Intra-city
    - Transit
    - Buses
    - Refuse

- **Liquefied Natural Gas (LNG)**
  - Medium to heavy duty vehicles
  - Interstate applications
    - Long-haul transit
    - Rail
    - Shipping

- **Renewable Natural Gas (RNG)**
  - All vehicles -CNG/LNG
  - Intra-city and interstate applications
  - Primarily produced from biomass (landfills, animal waste, etc.)

**Refueling**

- **Source**: Pipeline
- **Storage**: Gas @ 3600 psi
- **Timefill**
- **Fastfill

- **Source**: Liquefaction Plant
- **Storage**: Liquid @ -240°F and 40 psi
- **Fastfill**
- **Combo-fill capability**
- **Combined CNG-LNG stations (LCNG)**

*Additional refueling detail located in supplemental section*
Ports to Plains and Lower 48 Natural Gas
Geographic Synergies

Ports to Plains States

- 76% of Lower 48 natural gas production
- 72% of Lower proved 48 proved reserves
- Over 236,000 producing wells

- Over 305,000 resource extraction jobs; representing 70% of workforce
- Approximately 614,000 jobs (direct) within the total industry

Natural Gas transportation growth facilitates synergistic and economic benefits

Source: EIA, IPAA 2008
Natural Gas for Transportation
Economic Development Potential

• Currently 3.4 million employed across North America
  • For every additional 1 Bcf/d of added natural gas production approximately 30,000 North Americans are put to work

• Vehicle conversion and/or manufacturing
  • Manufacturing
  • Vehicle maintenance and inspection

• Added Infrastructure equals additional jobs
  • Construction
  • Operation and Maintenance

Source: ANGA, IHS, Encana estimates
Natural Gas for Transportation
Infrastructure Build-out

- Initial build-out – create natural gas hubs to support volume required for filling stations
  - Municipalities/counties
  - Natural gas industry fleets
  - Local fleets

- Connecting hubs to build natural gas highways

- CNG refueling stations – located every 60 – 100 miles

- LNG refueling stations – located every 150 – 250 miles

Source: Encana estimates
Natural Gas Vehicles

Source: Natural Gas Vehicles for America (NGVA)
Natural Gas – Transportation Fuel of Choice

Petroleum Fuel Displacement for Heavy Duty Vehicles

- Freight Truck: 12,000 gallons/year
- Airport Shuttle: 5,800-7,200 gallons/year
- School Bus: 2,200-2,800 gallons/year
- Garbage Truck: 9,000 gallons/year
- Delivery Truck: 4,500-5,500 gallons/year
Natural Gas Engines – New OEM Models

Kenworth Expands Natural Gas Truck Line with T440 Powered by ISL G
New Model Targets Local and Regional Haul plus Vocational Applications
March 24th, 2010

• Class 7 and Class 8 options available
• Runs on CNG and LNG
• 320 hp @ 1,000 foot-pounds of torque

• Fuel tanks can be configured for various applications and ranges
• ISL G Model is 2010 compliant without selective catalytic reduction or diesel particulate filter use

Source: www.kenworth.com
**Natural Gas Engines – Existing Models**

*Kenworth T800 LNG*

- Class 8 tractor
- Diesel performance with lower emissions
  - 33% less NOx emitted
  - 20% less Greenhouse Gases
- Westport ISX-G engine
  - up to 450 HP/1,650 foot pounds of torque
- EPA/California Air Resource Board

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*Savings based upon LNG equivalent price of $3.50 per gallon, diesel price of $4.50 per gallon and vehicle fuel economy of 6 mpg*
# Class 8 Tractor Conversion

Two Year Payback

<table>
<thead>
<tr>
<th>Illustrative Purposes Only</th>
<th>Diesel</th>
<th>LNG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Equipment Manufacturer-Class 8 LNG Tractor(^1)</td>
<td>-</td>
<td>$70,000</td>
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<tr>
<td>Federal Tax Credit(^2)</td>
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<td>$28,000</td>
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<td>Colorado State Credit(^3)</td>
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<td>Yearly Mileage (estimate)</td>
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<tr>
<td>Fuel Cost per Diesel Gallon Equivalent</td>
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<td>$1.80</td>
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<tr>
<td>Gallons of Fuel/Year at 4 mpg</td>
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<td>Yearly Fuel Cost</td>
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<td>Yearly Fuel Savings</td>
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<td>$22,000</td>
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<td>Simple Payback (yrs)</td>
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<td>1.91</td>
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</table>

\(^1\) T800 with Westport HPDI GX LNG engine

\(^2\) Federal tax credit for dedicated conversion, dual fuel, >26,000 lb Gross Vehicle Weight

\(^3\) No State tax credit for Heavy Duty vehicles
# Federal Incentives

<table>
<thead>
<tr>
<th>Alternative Fuel Incentive</th>
<th>Description</th>
<th>Start</th>
<th>Expiration</th>
<th>Duration (yrs)</th>
</tr>
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<tbody>
<tr>
<td><strong>Vehicles</strong></td>
<td>$2,500 - $32,000 based on Gross Vehicle Weight</td>
<td>12/21/2005</td>
<td>12/31/2010</td>
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<tr>
<td><strong>Infrastructure(^1)</strong> /Home Refuel</td>
<td>50% up to $50k cap/ $2,000</td>
<td>12/21/2005</td>
<td>12/31/2010</td>
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<td><strong>Fuel Excise Tax Credit(^2)</strong></td>
<td>$0.50 gasoline gallon equivalent</td>
<td>10/1/2006</td>
<td>12/31/2009(^3)</td>
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\(^1\)Hydrogen refueling expires 1/1/2015  
\(^2\)Liquefied hydrogen expires 9/30/2014  
\(^3\)Currently in Federal Tax Extender Bill – extension to 12/31/2010

Source: Department of Energy Alternative Fuel Data Center
## Ports to Plains Corridors - State Incentives

<table>
<thead>
<tr>
<th>States/Province</th>
<th>Tax Credits</th>
<th>Rebates</th>
<th>Grants</th>
<th>Mandate</th>
<th>Assistance/Loans</th>
<th>Modified Tax/Rate</th>
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<tbody>
<tr>
<td>Alberta</td>
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<td>South Dakota</td>
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<td>Texas</td>
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<td>Wyoming</td>
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</tbody>
</table>

*Only OEM vehicle available today, remaining are aftermarket conversions*

Source: Department of Energy Alternative Fuels & Advanced Vehicles Data Center, 2010

H.R. 1835 Alternative Transportation to Give Americans Solutions Act to have major effect if passed
# NGV/CNG Choice

Challenges Create Local Opportunities

## Pros

- Cleaner burning fuel
- Ability for bi-fuel use or dedicated
- Capability to refuel at home
- Lower price than gasoline or diesel
- Fuel is abundant in North America
- Decreases dependence on foreign oil
- Safer than gasoline

## Cons/Opportunities

- Limited refueling infrastructure
- Limited Original Equipment Manufacturer (OEM) vehicles
- Limited qualified companies to convert vehicles to CNG
- Price of natural gas has historically been volatile primarily due to lack of supply *(changing dynamics)*
- Less distance per “tank” *(technology improving)*
- Many federal and state tax incentives end 2010 *(other bills in progress)*
America’s Natural Gas Alliance Members
Highlighting the Benefits of Natural Gas

America’s Natural Gas Alliance exists to pursue a single mission: to increase appreciation for the environmental, economic and national security benefits of clean, abundant, dependable and cost efficient American natural gas.
**Encana Overview**

Natural Gas Supply Synergies with Ports to Plains Corridors

Land – MM net acres*

- **Developed** 4.8
- **Undeveloped** 8.8
- **Total** 13.6

Production (2010F)

- **Gas (MMcf/d)** 3,155
- **Oil & NGLs (MMcfe/d)** 135
- **Total (MMcfe/d)** 3,300

Proved Reserves*

- **Gas (Bcf)** 11,062
- **Oil & NGLs (MMbbls)** 76.7
- **Total (Bcfe)** 11,774

* Land and Proved Reserves as at December 31, 2009.
Natural Gas – a Diverse and Flexible Fuel

- **Compressed Natural Gas (CNG)**
  - Light duty vehicles
  - Intra-city
    - Transit
    - Buses
    - Refuse

- **Liquefied Natural Gas (LNG)**
  - Medium to heavy duty vehicles
  - Interstate applications
    - Long-haul transit
    - Rail
    - Shipping

- **Renewable Natural Gas (RNG)**
  - All vehicles - CNG/LNG
  - Intra-city and interstate applications
  - Primarily produced from biomass (landfills, animal waste, etc.)
CNG Refueling Station Types

• **Time-fill**
  
  CNG is dispensed slowly directly to vehicles’ onboard storage tank. Lower cost station investment. Best for fleets that return to central lot and sit idle overnight or for extended periods.

• **Fast-fill**
  
  Similar to liquid fueling station, same fill rates and times. A MUST for public access. Also good for larger fleets where fueling turn-around time is short.

• **Combo-fill capability**
  
  Comprises both time-fill and fast-fill. Often good for fleets that can fuel on time-fill but need occasional “top off”, also can provide public access during day.

• **Combined CNG-LNG stations – LCNG**

Source: NGVA, Stephen Yborra
LNG Refueling Station Types

• Mobile
  - Typically a tank with dispensing/metering system on a truck or trailer

• Portable
  - Complete station “in a box”
  - Includes storage tank, dispensing, metering and containment

• Custom
  - Large LNG bulk tanks
  - Multiple traditional dispensers
  - Ability to combine LNG & CNG (LCNG)
New Alternative Transportation to Give Americans Solutions
H.R. 1835 NAT GAS Act of 2009

- Vehicle Purchase Income Tax Credit: Extends Income Tax Credit
- Dedicated NGVs qualify for 80% tax credit
- Bi-fuel vehicles qualify for a 50% tax credit
- Incremental cost caps for NGVs increase
  - Medium and Heavy Duty limits doubled to $20K, $50K and $80K
- Provides for Transferability of Credits
- Extends Alternative Fuels Excise tax Credit
Fuel Life Cycle Emissions
Natural Gas Provides a Cleaner Solution

- Increased Natural Gas creates a significant reduction in harmful emissions
- LNG has ~15% less emissions than Ultra Low Sulfur Diesel (ULSD)

**Well to Wheel Analysis**
Comparison of GHG Emissions (gCO₂e/MJ)

<table>
<thead>
<tr>
<th></th>
<th>Extraction</th>
<th>Processing</th>
<th>Distribution</th>
<th>Liquefaction/Compress</th>
<th>Transport/Distribution</th>
<th>Vehicle Combustion</th>
<th>Total Life Cycle</th>
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</thead>
<tbody>
<tr>
<td>Natural Gas (LNG)</td>
<td>3.5</td>
<td>3.7</td>
<td>1.0</td>
<td>15.8</td>
<td>0.6</td>
<td>58.5</td>
<td>83.1</td>
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<tr>
<td>Natural Gas (CNG)</td>
<td>3.5</td>
<td>3.7</td>
<td>1.0</td>
<td>2.1</td>
<td>0.6</td>
<td>57.7</td>
<td>68.6</td>
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<td>ULSD</td>
<td>8.8</td>
<td>10.3</td>
<td>1.1</td>
<td>-</td>
<td>0.2</td>
<td>74.9</td>
<td>95.3</td>
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<tr>
<td>Gasoline</td>
<td>6.9</td>
<td>13.7</td>
<td>1.1</td>
<td>-</td>
<td>0.4</td>
<td>72.9</td>
<td>95.0</td>
</tr>
</tbody>
</table>

Source: California Air Resources Board, 2008
# Utility Truck Conversion

## Four Year Payback

<table>
<thead>
<tr>
<th>Illustrative Purposes Only</th>
<th>Diesel</th>
<th>CNG</th>
</tr>
</thead>
<tbody>
<tr>
<td>After Market Dedicated Conversion Cost¹</td>
<td>-</td>
<td>$52,000</td>
</tr>
<tr>
<td>Federal Tax Credit²</td>
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<td>$32,000</td>
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<tr>
<td>Colorado State Credit³</td>
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<tr>
<td>Yearly Mileage (estimate)</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Fuel Cost per Diesel Gallon Equivalent</td>
<td>$2.80</td>
<td>$1.80</td>
</tr>
<tr>
<td>Gallons of Fuel/Year at 4 mpg</td>
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<tr>
<td>Yearly Fuel Cost</td>
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<td>Yearly Fuel Savings</td>
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<tr>
<td>Simple Payback (yrs)</td>
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</tbody>
</table>

¹ Freightliner M2 with Cummins Westport ISL-G
² Federal tax credit for dedicated conversion >26,000 lb GVW
³ No State tax credit for HD vehicles