

# Encana Completes Sale of Its Clearwater Assets for C\$605 Million

CALGARY, AB --(Marketwired - January 15, 2015) - (TSX: ECA) (NYSE: ECA)

Encana Corporation (Encana) has completed the previously announced sale of certain Clearwater assets in Alberta to Ember Resources Inc. for a purchase price of approximately C\$605 million. The sale includes about 1.2 million net acres of land, over 6,800 producing wells and approximately 180 million cubic feet equivalent per day (mmcf/d) of natural gas production.

"We enter 2015 focused on furthering our strategy and protecting our balance sheet with plans to not add any incremental debt through the year," said Sherri Brillon, Encana's Chief Financial Officer. "With the closure of this sale, along with expected proceeds from our recently-announced Montney midstream agreement, we continue to competitively position ourselves to thrive throughout the commodity price cycle."

Encana retains approximately 1.1 million net acres in Clearwater, including approximately 480,000 net acres along the eastern edge of the Horseshoe Canyon Fairway.

Encana Corporation Encana is a leading North American energy producer that is focused on developing its strong portfolio of resource plays, held directly and indirectly through its subsidiaries, producing natural gas, oil and natural gas liquids (NGLs). By partnering with employees, community organizations and other businesses, Encana contributes to the strength and sustainability of the communities where it operates. Encana common shares trade on the Toronto and New York stock exchanges under the symbol ECA.

**ADVISORY REGARDING FORWARD-LOOKING STATEMENTS** - In the interests of providing Encana shareholders and potential investors with information regarding Encana, including management's assessment of Encana's and its subsidiaries' future plans and operations, certain statements contained in this news release are forward-looking statements or information within the meaning of applicable securities legislation, collectively referred to herein as "forward-looking statements." Forward-looking statements in this news release include, but are not limited to: the company's intention not to add incremental debt during 2015; anticipated proceeds from the recently announced Montney midstream agreement; and the company's anticipated ability to thrive throughout the commodity price cycle.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These assumptions, risks and uncertainties include, among other things: volatility of, and assumptions regarding natural gas, oil and liquids prices, including substantial or extended decline of the same and their adverse effect on the company's operations and financial condition and the value and amount of its reserves; risk that the company may not conclude divestitures of certain assets or other transactions or receive amounts contemplated under the transaction agreements (such transactions may include third-party capital investments, farm-outs or partnerships, which Encana may refer to from time to time as "partnerships" or "joint ventures" and the funds received in respect thereof which Encana may refer to from time to time as "proceeds", "deferred purchase price" and/or "carry capital", regardless of the legal form) as a result of various conditions not being met; product supply and demand; market competition; risks inherent in the company's and its subsidiaries' marketing operations, including credit risks; imprecision of reserves estimates and estimates of recoverable quantities of natural gas and liquids from resource plays and other sources not currently classified as proved, probable or possible reserves or economic contingent resources,

including future net revenue estimates; business interruption and casualty losses; counterparty risk; liability for indemnification obligations to third parties; 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 reserves and production as well as expectations regarding rates of advancement and innovation, generally consistent with and informed by its past experience, all of which are subject to the risk factors identified elsewhere in this news release.

Forward-looking information respecting anticipated 2015 cash flow for Encana is based upon, among other things, achieving average production for 2015 of between 1.60 Bcf/d and 1.70 Bcf/d of natural gas and 140,000 bbls/d to 160,000 bbls/d of liquids, commodity prices for natural gas and liquids based on NYMEX \$4.00 per MMBtu, AECO C\$3.67 per GJ and WTI of \$70 per bbl, an estimated U.S./Canadian dollar exchange rate of \$0.87 and a weighted average number of outstanding shares for Encana of approximately 741 million.

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

SOURCE: Encana Corporation

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