

# Encana to Outline Five-Year Growth Potential During Investor Day, Company Updates 2016 Guidance to Reflect Lower Costs

CALGARY, AB -- (Marketwired) -- 10/05/16 -- (TSX: ECA) (NYSE: ECA)

At today's Investor Day being held in New York City, Encana's President & CEO Doug Suttles along with members of the executive and management teams will outline the company's five-year, quality growth potential.

The event will include a review of the company's world-class core four assets which contain an inventory of approximately 10,000 premium return well locations.

Encana will outline its relentless focus on growing value over the next five years including a potential 300 percent increase in cash flow, a doubling of corporate margins, a 60 percent increase in total production and achieving a balanced production mix of oil and liquids and natural gas.

The company's growth potential is underpinned by active and disciplined balance sheet management. The company has access to over \$5 billion in liquidity, a robust hedging program and a 100 percent short-cycle capital program. The presentation will also highlight Encana's culture of innovation and efficiency.

Starting at 8:30 a.m. ET (6:30 a.m. MT), the webcast of Encana's 2016 Investor Day is available at: <http://media.rampard.com/encana/20161005/>

Presentation slides for today's event are available for download at:

<http://www.encana.com/investors/presentations-events/>

Encana has updated its 2016 Guidance to reflect a further reduction in production, mineral and other taxes, operating expense and transportation and processing costs. This has delivered total additional savings of \$50 million. The updated 2016 guidance can be downloaded from the company's website at:

<http://www.encana.com/investors/financial/corporate-guidance.html>.

## *Encana updates its Risk Management Program*

As at September 30, 2016, Encana has hedged approximately 32,960 barrels per day (bbls/d) of expected 2017 crude and condensate production at an average price of \$50.58 per barrel along with 806 million cubic feet per day (Mmcf/d) of expected natural gas production at an average price of \$2.91 per thousand cubic feet.

## *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.

**NON-GAAP MEASURES** - Certain measures in this news release do not have any standardized meaning as prescribed by U.S. GAAP and, therefore, are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other companies and should not be viewed as a substitute for measures reported under U.S. GAAP. Non-GAAP measures include Cash Flow and Corporate Margin. Cash Flow is defined as cash from operating activities excluding

net change in other assets and liabilities, net change in non-cash working capital and cash tax on sale of assets. Corporate Margin is Cash Flow per barrel of equivalent oil of production. Management believes these measures are useful to the company and its investors as a measure of operating and financial performance across periods and against other companies in the industry, and are indication of the company's ability to generate cash to finance capital programs, to service debt and to meet other financial obligations. For additional information relating to non-GAAP measures, see Encana's most recent MD&A as filed on SEDAR and EDGAR.

*ADVISORY REGARDING OIL AND GAS INFORMATION* - Disclosure of estimated well locations include proved, probable, contingent and unbooked locations. These estimates are prepared internally based on Encana's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Approximately half of all locations in our core four plays are booked as either reserves or resources, as prepared by IQREs using forecast prices and costs as of December 31, 2015. Unbooked locations do not have attributed reserves or resources and have been identified by management as an estimation of Encana's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Encana will drill all unbooked locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The locations on which Encana will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of capital, regulatory and partner approvals, seasonal restrictions, equipment and personnel, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained, production rate recovery, transportation constraints and other factors. While certain of the unbooked locations have been de-risked by drilling existing wells in relative close proximity to such locations, many of other unbooked locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional proved or probable reserves, resources or production. Premium return well locations are locations with expected after tax returns greater than 35% at \$50/bbl WTI and \$3/MMBtu NYMEX.

*ADVISORY REGARDING FORWARD-LOOKING STATEMENTS* - This news release contains certain forward-looking statements or information (collectively, "FLS") within the meaning of applicable securities legislation. FLS include: the company's five-year growth plan, including growth in cash flow, corporate margin, production and anticipated commodity mix; estimated well locations and returns therefrom; strength of Encana's balance sheet, including access to liquidity and flexibility of capital program; expectation of meeting or exceeding the targets in Encana's 2016 corporate guidance, including anticipated capital and cost efficiencies; and anticipated hedging and outcomes of risk management program, including amount of hedged production.

Readers are cautioned against unduly relying on FLS which, by their nature, involve numerous assumptions, risks and uncertainties that may cause such statements not to occur, or for results to differ materially from those expressed or implied. These assumptions include: assumptions contained in Encana's 2016 corporate guidance; data contained in key modeling statistics; availability of attractive hedges and enforceability of risk management program; results from innovations; expectation that counterparties will fulfill their obligations under gathering, midstream and marketing agreements; access to transportation and processing facilities where Encana operates; effectiveness of Encana's resource play hub model to drive productivity and efficiencies; and expectations and projections made in light of, and generally consistent with, Encana's historical experience and its perception of historical trends, including with respect to the pace of technological development, the benefits achieved and general industry expectations.

Risks and uncertainties that may affect these business outcomes include: commodity price volatility; timing and costs of well, facilities and pipeline construction; ability to secure adequate product transportation and potential pipeline curtailments; business interruption and casualty losses or unexpected technical difficulties; counterparty and credit risk; fluctuations in currency and interest rates; risk and effect of a downgrade in credit rating, including below an investment-grade credit rating, and its impact on access to capital markets and other sources of liquidity; variability and discretion of Encana's Board to declare and pay dividends, if any; the ability to generate sufficient cash flow to meet Encana's obligations; failure to achieve anticipated results from cost and efficiency initiatives; risks inherent in marketing operations; risks associated with technology; Encana's ability to acquire or find additional reserves; 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; changes in or interpretation of royalty, tax, environmental, greenhouse gas,

carbon, accounting and other laws or regulations; risks associated with existing and potential future lawsuits and regulatory actions made against Encana; risks associated with past and future 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; and other risks and uncertainties impacting Encana's business, as described in its most recent MD&A, financial statements, Annual Information Form and Form 40-F, as filed on SEDAR and EDGAR.

Although Encana believes the expectations represented by such FLS are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the assumptions, risks and uncertainties referenced above are not exhaustive. FLS are made as of the date of this news release and, except as required by law, Encana undertakes no obligation to update publicly or revise any FLS. The FLS contained in this news release are expressly qualified by these cautionary statements.

SOURCE: Encana Corporation

Further information on Encana Corporation is available on the company's website, [www.encana.com](http://www.encana.com), or by contacting:

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